

Calendar No. 425

92d CONGRESS }  
1st Session }

SENATE

{ REPORT  
No. 92-432

PROVIDING FOREIGN ECONOMIC AND HUMANITARIAN  
ASSISTANCE AUTHORIZATION, 1972

NOVEMBER 8, 1971.—Ordered to be printed

Mr. FULBRIGHT, from the Committee on Foreign Relations,  
submitted the following

REPORT

together with

SUPPLEMENTAL VIEWS

[To accompany S. 2820]

The Committee on Foreign Relations, having had under consideration the authorization of appropriations for fiscal year 1972 for foreign assistance, reports the bill (S. 2820), to provide foreign economic and humanitarian assistance authorizations for fiscal year 1972, and for other purposes, and recommends that it do pass.

1. PRINCIPAL PURPOSE OF THE BILL

The principal purpose of the bill is to authorize funds for fiscal year 1972 for certain economic and humanitarian foreign assistance programs carried out under the Foreign Assistance Act of 1961, as amended. This is an interim bill to allow continuation of the bilateral programs at a significantly reduced rate from current operations pending enactment of a new and drastically revised foreign assistance program in the next session of Congress. The bill authorizes total appropriations of \$1,144,000,000. Of this amount, \$695,000,000 is for bilateral economic assistance programs and administrative expenses for the Agency for International Development, and \$449,000,000 is for humanitarian and multilateral assistance.

In addition, the bill also makes a number of substantive changes in the Foreign Assistance and other acts.

The following tables provide information concerning the programs for which appropriations are to be authorized by this bill:

TABLE 1.—BILATERAL FOREIGN ECONOMIC ASSISTANCE AUTHORIZATIONS AND COMPARATIVE DATA  
[In thousands of dollars]

Program	Appropriations		Authorization
	Fiscal year 1971	Requested fiscal year <sup>1</sup> 1972	Senate committee recommendation, fiscal year 1972
Development loans (worldwide).....	\$420,000	\$400,000	\$250,000
Technical assistance (worldwide).....	166,800	231,300	175,000
Alliance for Progress.....	370,400	364,000	225,000
Loans.....	(287,500)	(235,000)	(150,000)
Grants.....	(82,900)	(129,000)	(75,000)
Administrative expenses: AID.....	51,000	57,600	45,000
Total, bilateral economic assistance.....	1,008,200	1,052,900	695,000

<sup>1</sup> Administration's foreign assistance authorization request was for 3-year authorizations for the following programs, Development loans, \$1,500,000,000; technical assistance, \$1,200,000,000; and American schools and hospitals abroad: \$35,000,000.

TABLE II.—AUTHORIZATIONS FOR INTERNATIONAL HUMANITARIAN AND MULTILATERAL ASSISTANCE  
[In thousands of dollars]

	Fiscal year 1971 estimated	Committee recommendation, fiscal year 1972
I. International organizations:		
U.N. development program.....	\$86,268	\$90,065
U.N. Children's Fund.....	13,000	15,000
U.N. population program.....	7,500	7,500
U.N. fund for drug abuse control.....	2,000	2,000
International Atomic Energy Agency, operational program.....	1,550	1,550
World Meteorological Organization, voluntary assistance program.....	1,500	1,500
U.N./FAO world food program.....	1,500	1,500
U.N. Institution for Training and Research.....	400	400
World Health Organization, medical research.....	150	312
International Secretariat for Voluntary Service.....	70	73
Special contributions for Vietnam.....	950	
U.N. Relief and Works Agency.....	* 14,300	14,300
U.N. Force in Cyprus.....	6,000	4,800
Total U.N. and related programs.....	135,188	139,000
II. Other authorizations:		
Indus Basin grants.....	4,900	15,000
Pakistan refugee relief.....		250,000
American schools and hospitals abroad.....	12,900	15,000
Contingency fund.....	22,500	30,000
Total humanitarian and multilateral assistance.....	175,488	449,000

<sup>1</sup> Includes \$4,000,000 from development loans for population program under title X.  
<sup>2</sup> Funded from supporting assistance.

## 2. OTHER PURPOSES OF THE BILL

In addition to authorizing appropriations as detailed, the bill also does the following:

1. Calls for shifting more of our economic aid to a multilateral basis and requires a phasing-out of the bilateral loan program.
2. Ties the release of funds appropriated for foreign aid and military sales funds to prior release of impounded funds for domestic programs.
3. Provides for annual authorization of appropriations for the Department of State and the United States Information Agency.
4. Authorizes \$125,000,000 for population control activities.
5. Authorizes operations by the Overseas Private Investment Corporation in Yugoslavia and Romania.

6. Suspends all assistance and military sales to Pakistan, except humanitarian relief. The President must make certain findings before aid could be resumed.

7. Tightens the Hickenlooper amendment relating to prohibitions on assistance to countries which expropriate American-owned property without fair compensation.

8. Authorizes assistance for purposes of controlling the international drug traffic and provides for a cutoff in assistance to countries which do not take adequate steps to control the production, processing, and distribution of drugs.

9. Authorizes the equivalent of \$10 million in excess Egyptian pounds for assisting in reopening the Suez Canal.

10. Calls upon the President to take appropriate action to bring about a reduction of the United States regular assessments for the United Nations to not more than 25% of the total U.N. budget.

11. Requires annual authorization of U.S. contributions to United Nations programs.

### 3. BACKGROUND AND COMMITTEE ACTION

The 1968 foreign assistance act contained a provision, sponsored by Senator Javits, which called on the President to make a thorough review of all foreign assistance programs and submit his recommendations to Congress by March 31, 1970. On September 29, 1969, President Nixon appointed a task force to study the matter and the task force reported back to him on March 4, 1970. The President sent a message to Congress on September 15, 1970 containing his broad recommendations for a revised foreign aid program. However, the draft legislation to implement his policy recommendations was not submitted to Congress until April 21, 1971. Two bills, embodying the President's legislative requests, S. 1656 and S. 1657, were introduced by Senator Fulbright, by request, on April 26, 1971. The Committee held hearings on the bills on June 10, 11, and 14.

Executive sessions on H.R. 9910, the foreign aid bill passed by the House, were held on September 28, 29, October 5, 6, 13, 14, and 20. H.R. 9910 was reported to the Senate on October 21, 1971 and was debated on October 26, 27, and 28. On October 29 the bill was defeated by a vote of 27 yeas to 41 nays.

The Committee met in executive session on November 1 to discuss further action on foreign aid legislation. It heard Secretary of State William P. Rogers and Dr. John A. Hannah, Administrator of the Agency for International Development, in executive session, on November 3. On November 4 the Committee, by a vote of 15 to 0, decided to report this interim, stop-gap measure to the Senate, along with a second bill to authorize military and related aid.

### 4. COMMITTEE COMMENTS

Reports by the Committee on Foreign Relations on foreign aid bills over the last several years reveal the depth of dissatisfaction of many members with the existing foreign aid program. In 1967 the Committee report on the aid bill stated:

Many members felt that there was inadequate justification for continuing foreign aid at approximately the same

level as the last fiscal year in view of mounting war costs and the Government's worsening fiscal situation. Others believed that drastic changes were needed in the foreign aid program, and that it had been oversold as a cureall, both at home and abroad. Some viewed the aid program as tending to involve the United States unnecessarily in the political and social affairs of other countries, making it more likely that the United States would in the future find itself involved in more Vietnams. Perhaps the most common attitude among members was the feeling that foreign aid policy has not kept pace with a changing world and that all too often dollars were applied in an attempt to serve as a substitute for sound policies.

In 1968 the Committee stated:

The committee acted on the foreign aid bill this year against a background of growing concern over the international posture of the United States and over the problems which the American people face at home. With respect to the former, the committee has seen nothing in the past year to allay the unease which it has frequently expressed over the proliferation of aid programs and the seeming inability or unwillingness of the United States to reduce its international commitments. With respect to the latter, the committee is persuaded that the United States cannot longer postpone giving priority to putting its own house in order. Over both the foreign and domestic problems of the United States hang the fiscal and balance-of-payments crises which have been alleviated but not solved, and which fundamentally result from overcommitment, both at home and abroad, and from efforts to spread available resources too thinly.

In 1969 the Committee report put the basic problem this way:

All members of the committee are acutely aware that the richest Nation in the world has an obligation to help close the widening gap between the "haves" and the "have nots" of the world. The issue is not "Should we provide aid?" It is "How?" and "How much?" The first question must be answered before the second can be approached sensibly—and the old answers of the past to "How?" are outmoded and discredited. The future of foreign aid is bleak indeed until a new program can be developed which will command greater respect and support, both with the public and the Congress, than the current programs commands.

At the time the 1969 report was filed the Committee hoped that the President's recommendations, to be submitted pursuant to Senator Javits' amendment, would be submitted in time to work out a new program during 1970. Instead, his recommendations were not received until more than a year after the date specified by law.

The Committee has for years stressed that the United States is over-committed around the world. The foreign aid program is one of the most obvious manifestations of that overcommitment. As of June this year there were a total of 26,663 people working in connection with

the regular economic and military aid programs authorized under the Foreign Assistance Act. There were 8,936 Americans abroad engaged in U.S. foreign aid activities, compared with a total of 6,145 for all Department of State personnel overseas. The Committee has taken action which should lead to substantial reductions in the number of foreign aid personnel. Most of the non-Communist world is slated to receive some type of foreign aid from the United States in FY 1972. Forty-five countries are to receive technical assistance, 31 to get supporting assistance (24 for public safety programs only), 46 to get military grant aid, 85 to get Public Law 480 assistance, 43 slated for military sales (18 for credit), and 55 are to receive assistance through the Peace Corps.

The President has recognized that foreign aid must bear a share of the price that must be paid to restore the health of our economy. In his speech to the nation on August 15 he announced that he had "... ordered a 10% cut in foreign economic aid." The details of how the cut is to be applied have not been revealed, other than the announcement of an exemption for Latin America. The Committee supports the President's initiative and has taken further action to insure that foreign aid programs for FY 1972 reflect, at least to some extent, the urgency of the times.

The defeat of H.R. 9910 by the Senate was obviously the result of a number of factors. One of those was the fact that, traditionally, authorizations for foreign economic development, humanitarian, and military programs have been lumped into one bill, forcing members of the Senate to take—or reject—the bad with the good, according to how they viewed each category. In the past this Committee has urged passage of separate bills for economic and military assistance but has failed to persuade the House of Representatives on the merits of separating the two programs. The Committee last tried to separate the economic and military programs in 1966. Its report on the economic aid bill said this about the problem:

A majority of the committee believes that handling programs by separate bills will allow each to stand on its own merits and that the public will gain a better understanding of the distinctions between the two programs. It has been argued that the economic aid program may be emasculated by the Congress if military assistance is not a part of the package. If the economic aid program is so distasteful to the public and the Congress, it should not continue to have a free ride on the back of military aid. Congress should have the opportunity to consider the programs as a separate measure and shape it to more acceptable proportions if it is that unpopular.

The Committee has again decided to report two separate bills which will permit Senators to weigh each major category of aid on its own merits. No longer will any of the categories ride on the back of another program. Each will stand or fall by itself.

The Committee wishes to make it clear that the authorizations it has approved are for an interim program to begin the phase-out of the old programs while the Committee works to develop a new foreign assistance program next session, one that, hopefully, will command the support of both Congress and the public.

#### COST ESTIMATES

Section 252(a)(1) of the Legislative Reorganization Act of 1970 requires that committee reports on bills and joint resolutions contain: "(A) an estimate, made by such committee, of the costs which would be incurred in carrying out such bill or joint resolution in the fiscal year in which it is reported and in each of the five fiscal years following such fiscal year . . ."

This bill authorizes these assistance programs only through the remainder of FY 1972 and it is intended as an interim, temporary measure to bridge the gap until a new foreign aid program is formulated next year. It is impossible to predict, at this time, the size or scope of that new program.

The estimated cost for FY 1972 of the program to be authorized by this bill is \$1,144,000,000, plus funds to be derived from receipts, reimbursements and recoveries.

#### SECTION-BY-SECTION ANALYSIS

##### SECTION 2—STATEMENT OF POLICY

This section states that the purpose of the bill is to provide an interim measure to carry forward for fiscal year 1972 United States bilateral and multilateral economic and humanitarian assistance programs authorized by the Foreign Assistance Act of 1961. As an interim foreign aid measure this bill "looks to the phaseout of the current program and to the establishment of a new one which will command the respect and the support of Congress and the American people."

For a number of years the Committee has urged that an increasing proportion of United States economic assistance be channeled through multilateral organizations. It has emphasized in its reports on foreign aid bills that the bilateral aid program has become discredited for a variety of reasons, all of which make it an unacceptable method for assisting the developing nations. This bill marks the beginning of a new era for foreign aid.

#### TITLE I—BILATERAL ECONOMIC ASSISTANCE

##### SECTION 101—AUTHORIZATIONS

###### *Subsection 101(a)(1)—Development Loans*

Section 101(a)(1) authorizes the appropriation of \$250 million in fiscal year 1972 for worldwide development lending.

Development loan program (excludes Alliance for Progress loans):

1. Fiscal year 1970 appropriation.....	\$300, 000, 000
2. Fiscal year 1971 appropriation.....	420, 000, 000
3. Fiscal year 1972 appropriation request.....	400, 000, 000
4. Committee recommendation: Fiscal year 1972.....	250, 000, 000

Development loans provide part of the resources needed to support the self-help efforts of recipient countries and underwrite the planning and execution of their development programs. These loans finance the commodities and technical services used for the construction of facilities such as schools, clinics, roads, dams and irrigation facilities and factories, and the import of a wide range of products such as fertilizer,

farm equipment, chemical products, iron and steel products, motor vehicles, industrial and electrical machinery, petroleum and other products.

Most development loans to recipient governments are now made on 40-year terms, including a 10-year grace period. Interest rates are 2% during the grace period and 3% thereafter. The minimum interest rate will be revised by section 4(1).

*Section 101(a)(2)—Technical Cooperation and Development Grants*

Subsection 101(a)(2) authorizes an appropriation of \$175,000,000 for fiscal year 1972 for worldwide technical assistance and development grants.

Technical Assistance (worldwide):

1. Fiscal Year 1970 appropriation.....	\$166,750,000
2. Fiscal Year 1971 appropriation.....	166,750,000
3. Fiscal Year 1972 authorization request.....	231,300,000
4. Committee recommendation:	
Fiscal Year 1972.....	\$175,000,000

The technical assistance program deals with the human side of the development process. Skilled Americans from all parts of the country join to work with people of the developing countries, to transfer the knowledge and techniques to the developing countries.

The United States has pioneered in developing technical assistance concepts and programs. Technical cooperation, as an organized governmental activity, began in 1942 with the Institute of Inter-American Affairs. The Point IV program, initiated by President Truman in his inaugural address of 1949, challenged the American people to pool their knowledge and energies with those of the peoples of the developing countries for the general betterment of mankind. These themes were carried out in the 1950's by the Foreign Operations Administration and the International Cooperation Administration which were followed in the 1960's by the Agency for International Development.

The major types of technical assistance are:

*Research*, helping solve development problems through research and building institutional research capacity in the developing countries themselves;

*Institution-building*, helping developing countries establish new institutions and improve existing ones;

*Training*, providing people with formal education, training in particular skills, and experience in modern techniques, so that they can contribute to development by using their new knowledge and skills and passing them on to others;

*Advisory technical services*, providing the skilled manpower needed to help developing countries adapt modern technology and employ modern research methods to the solution of their development problems.

*Subsection 101(a)(3) Alliance for Progress*

This subsection authorizes appropriations for fiscal year 1972 of \$225,000,000 for the Alliance for Progress, of which not more than \$75,000,000 may be used for technical assistance grants.

## ALLIANCE FOR PROGRESS

	Loans	Limitations on grants	Total
1. Fiscal year 1970 appropriation.....	\$225,000,000	\$81,500,000	\$336,500,000
2. Fiscal year 1971 appropriation.....	287,500,000	82,875,000	370,375,000
3. Fiscal year 1972 appropriation: Request.....	235,000,000	129,000,000	364,000,000
5. Committee recommendation: Fiscal year 1972.....	150,000,000	75,000,000	225,000,000

*Subsection 101(a)(4).—Administrative Expenses.*

This subsection amends section 637(a) of the Act to authorize the appropriation of \$45,000,000 for fiscal year 1972 for administrative expenses of the Agency for International Development.

The Committee's decision to reduce A.I.D. administrative expenses is in keeping with the concern it expressed in its report on the Foreign Assistance Act of 1969:

The Committee is concerned about overstaffing in AID and believes that AID should assume a much lower posture abroad and at home. The committee believes that the massive AID presence in so many countries is not in the best interests of American foreign policy or an effective foreign aid program. Although this reduction applies only to administrative personnel, the Committee expects that appropriate steps will be taken to reduce the size of the personnel rolls financed out of program funds.

The Committee expects that the new aid program to be shaped by Congress in the next session will require a very substantial reduction in the number of personnel involved in assistance programs, both in Washington and abroad. This reduced authorization will help expedite the transition to a new approach to aid which will be less top heavy with personnel.

*Subsection 101(c).—Reflow Authority*

During fiscal year 1972 it is estimated that an additional \$192,385,000 will be available for lending purposes (including Alliance for Progress loans) from repayment on loans made in prior years. This subsection authorizes that up to \$200 million is to be made available from the dollar reflow from prior loans, made under either the Foreign Assistance Act of 1961 or the Mutual Security Act of 1954. The funds made available by this subsection shall be used only for development loans, and Alliance for Progress loans.

*SUBSECTION 101(b).—Appropriations Pursuant to Foreign Assistance Act of 1961*

This subsection states that any appropriation made pursuant to this act shall be governed by the applicable provisions of the Foreign Assistance Act of 1961.

## SECTION 102—DEVELOPMENT LOAN FUND

*Subsection 102(1).—Interest rates on Development Loans*

Subsection 102(1) requires that interest rates on development loans, both worldwide and Alliance for Progress, not be either (1) "excessive or unreasonable" or (2) less than interest charges on official borrowings of comparable maturity paid by the Federal



Government. This provision seeks to ensure that development loan recipients pay interest at rates comparable to those paid on U.S. Government borrowings.

Subsection 102(2)(A) repeals existing authority which permits appropriations to be made on the basis of the balances remaining from previous authorizations for development loans. Without this restriction a total of \$230 million, above the amounts authorized for FY 1972 could otherwise be appropriated during this fiscal year on the basis of balances from previous authorizations. The Committee believes that if any of these funds were appropriated, it would serve to negate the Committee's recommendation and it has, therefore, repealed this authority.

*Subsection 102(2)(B)—Encouraging Economic Development Through Private Enterprise*

Subsection 102(2)(B) extends for FY 1972 the provision of existing law which requires that not less than 50 percent of the funds appropriated for development lending shall be available for loans made to encourage economic development through private enterprise.

*Subsection 102(2)(C)—Restrictions on Development Loans to South Korea*

Subsection 102(2)(C) prohibits the use of proceeds from development loans made to the Republic of Korea from being used to build up its fishing fleet or its fish processing and marketing facilities. This provision will help to ensure that the U.S. North Pacific fishing industry is not placed at a competitive disadvantage vis-a-vis the South Korean fishing industry by virtue of the latter being able to receive "soft loans" from the United States.

*Subsection 102(3)(A)—Multilateral Programs*

Subsection 102(3)(A) is designed to encourage the shift of a greater proportion of United States bilateral aid to a multilateral basis. It puts the Congress on record in favor of moving to internationalize our bilateral aid program, to the extent feasible. It is consistent with the President's announced policy. He stated in his September 15, 1970 message to Congress: "I propose that the United States channel an increasing share of its development assistance through multilateral institutions as rapidly as practicable." He said that "moving in this direction holds the promise of building better relations between borrowing and lending countries by reducing the political frictions that arise from reliance on bilateral contracts in the most sensitive affairs of nation-states."

In order to implement this policy, this provision requires that the bilateral development loan program be phased out by not later than June 30, 1975. And it authorizes the President to use any of the funds appropriated for economic aid to be transferred to multilateral lending institutions for lending purposes. If after 1975 an unusual situation developed where the President felt that a bilateral loan was important to the national interest—another British loan case, for example—he can come to Congress and ask for a specific authorization. It does not provide for phasing out the technical assistance program, although it would permit transfer of technical assistance funds to the multilateral organizations.

A majority of the members of the Committee on Foreign Relations have long held the view that multilateral means of channeling the

foreign assistance efforts of the United States are superior to bilateral methods. The Committee has been a strong and constant supporter of international financial and development institutions. For example, recently the Committee by votes of 14 to 1, 15 to 0, and 13 to 2 reported favorably authorization for a total of \$2 billion in additional contributions to the International Development Association, the Inter-American Development Bank, and the Asian Development Bank, respectively. In contrast many of the major issues involved in the bilateral aid bill, recently defeated by the Senate, were decided in Committee by only the narrowest of margins.

The advantages of multilateral over bilateral aid were summarized in this way by Under Secretary of the Treasury Charls Walker in testimony before the Committee this year:

Here are some reasons why we think the multilateral approach is a sound one and worthy of our increasing support. It permits each donor country to contribute according to its financial strength with all countries contributing on the same terms. It permits a pooling of knowledge and expertise on development problems which no single country can muster.

It provides for an allocation of assistance on the basis of development needs, relatively free from political ties or commercial factors, thereby minimizing political motivation for assistance. These institutions are forums for bringing international influence to bear on donor countries, in connection with their trade policies, and on recipient countries, to follow generally acceptable development policies. They provide an important force in favor of more open and less restricted national economies leading to a more effective use of externally provided resources as well as a more rational allocation of resources at home. And finally, they provide a shielding device against undue reliance of any recipient on a particular source of aid, an undue responsibility of any donor in support of a particular recipient.

The President's Task Force on International Development (Peterson Commission) also urged that greater emphasis be placed on the international organizations. It said:

The international organizations could roughly double their present rate of lending—from \$2.5 billion a year to \$5 billion a year—over the next several years while continuing to follow sound practices and maintain high standards. This judgment takes into account the capabilities of these organizations, the current international investment climate, the increasing availability of sound development projects, better planning and performance in both public and private sectors of the developing countries, and estimates of the level of foreign investment and bilateral assistance.

The President's commission for the Observance of the Twenty-Fifth Anniversary of the United Nations, the Lodge Commission, also strongly recommended that increased emphasis be placed on the multilateral agencies as a channel for U.S. development assistance. The report stated:

"The Commission recommends that an increasing proportion of U.S. technical assistance, official loans, and credits to the developing nations of the world be channeled through the multilateral agencies of the UN system.

"The multilateral way makes contributions to the economic growth of developing countries which are additional to what would otherwise be contributed. Every dollar of input by the United States to the UN Development Program helps to generate more than six dollars of actual development work by other nations. Aid through multilateral institutions has the added advantage of neutralizing the political aspects of economic assistance and reducing the resentment of some developing nations to bilateral programs."

Subsection 102(3)(A)(i) amends section 209(a) of the Foreign Assistance Act of 1961 to express Congress' strong support for the concept of multilateral aid. It states Congress' support for increasing the proportion of U.S. assistance to developing countries that should be channeled through multilateral organizations. It also expresses Congress' support for undertaking measures that will help improve the competency and capacity of the international organizations.

Subsection 102(3)(A)(ii) adds two new subsections to the revised section 209.

The new subsection (c) requires that the bilateral loan program be phased out by not later than June 30, 1975. During the phaseout period the Committee intends that maximum use be made by the President of the transfer authority available under the new subsection (d).

The new subsection (d) authorizes the President to transfer any funds appropriated under Part I of the Foreign Assistance Act, the economic assistance portion of the Act, to the International Development Association, the International Bank for Reconstruction and Development, the International Finance Corporation, the Asian Development Bank, or other multilateral lending or development institutions for lending purposes. The institution must agree, when making loans with the funds transferred, to take into account the same considerations that the President must now consider under sections 201(b) and (f), 207, and 208 of the Act. The funds could be transferred under such other terms and conditions as the President may determine without regard to restrictions applicable to development loans.

Subsection 102(3)(B) amends subsection 209(b) by striking out the heading.

Subsection 102(3)(C) repeals section 205 of the Act which authorized the transfer of up to 10% of funds available for development lending to certain multilateral institutions. This authority is superseded by the expanded transfer authority authorized by subsection (3)(A)(ii).

Subsection 102(3)(D) is a technical amendment to section 619 of the Act.

#### SECTION 103—WORLDWIDE HOUSING GUARANTIES

Subsection 103(1) amends section 221 of the Act by increasing by \$50,000,000 the ceiling on the total authority for guaranty of housing projects outside of Latin America. With this increase the total face amount of housing guaranties that may be issued under section 221 will be \$180,000,000.

The Committee believes that this increase will be more than sufficient in view of the fact that only \$32.5 million in guaranties had been issued through March 31 of this year.

Subsection 103(2) amends section 223(1) of the Act to extend the worldwide housing guaranty authority through June 30, 1973.

SECTION 104—OVERSEAS PRIVATE INVESTMENT CORPORATION

Subsection 104(1) amends section 238(c) of the Act in order to permit any group of U.S. investors holding 95 percent of the subscribed share capital of a foreign corporation to qualify as eligible investors for the purposes of participation in OPIC programs. Such investors are currently eligible only if foreign law requires 5 percent of the share capital to be held by their nationals or other foreign citizens.

Subsection 104(2) amends section 239 of the Act to add a new subsection (g) which authorizes the operation of programs by the Overseas Private Investment Corporation in any country if the President determines that such operations of those programs in that country would be in the national interest.

The primary purpose of this provision is to authorize OPIC guarantees for investments by U.S. investors in Yugoslavia and Romania. The Committee believes that this is a desirable goal and one which could serve to improve our overall relations with the Communist countries.

Subsection 104(3) extends the existing provisions of the Act relating to agricultural credit and self-help community projects through June 30, 1973.

SECTION 105—AUTHORIZATION FOR POPULATION PROGRAMS

Section 105 amends section 292 of the Act to authorize the use of \$125,000,000 of the appropriations to carry out programs under Part I of the Foreign Assistance Act for population and family planning programs in fiscal year 1972.

The authorization of an increase in funding for population activities follows past practice and emphasizes the Committee's concern over the population growth problem. In FY 1970, Congress earmarked \$75 million and in FY 1971 it set aside \$100 million for this purpose. The Committee believes this pattern of increasing emphasis should be maintained because of the critical importance of the problem.

Since it is estimated that the average number of women in the less developed countries aged 20 to 29—the peak years of human fertility—will increase by about one-third during the 1970s and two-thirds during the 1980s, over the average number for the 1960s, every effort should be made to extend family planning information and services on a voluntary basis to couples in the developing countries. Unless population growth rates in these countries are reduced, their populations will double in 20 to 30 years and their development efforts over the next two decades will not result in any noticeable improvement in individual standards of living.

The Committee is encouraged by the important role which the United Nations, through the UN Fund for Population Activities, is now playing in support of family planning and population programs in the developing countries. Established by the Secretary-General in 1967 and transferred in 1969 to the UN Development Program, the Population Fund expects to receive during calendar year 1971 nearly \$30 million in voluntary contributions from some thirty governments, including the United States. The funds are to be used to supplement the various national family planning programs and to strengthen technical assistance and training provided through the United Nations system. The Committee has long urged that a larger share of U.S.

assistance in this field be provided to multilateral organizations like the United Nations and the International Planned Parenthood Federation and hopes that a substantial portion of the funds earmarked for population activities will be used regularly to support these international initiatives.

SECTION 106—PROHIBITIONS AGAINST FURNISHING ASSISTANCE

*Subsection 106(1)—Expropriation of U.S. Property*

Subsection 106(1) tightens section 620(e) of the Act (the Hickenlooper Amendment) to require that all foreign assistance to any country which expropriates or takes similar action against property owned by the U.S. citizens and does not provide effective compensation shall be terminated at once and not resumed until fair compensation has been paid. There are cases on record of countries which have expropriated American property and did not provide effective compensation but which continued to receive foreign assistance from the United States. Assistance continued to flow to these countries because of the President's broad discretionary authority under the Hickenlooper Amendment. This provision of the bill removes his discretionary authority and brings our aid program to an end in any aid-receiving country until full compensation is paid for the expropriated property.

*Subsection 106(2)—New Prohibitions Against Furnishing Assistance—Prisoners of War*

This new subsection 620(v) prohibits any funds appropriated pursuant to the Foreign Assistance Act from being made available to any country which does not give full support to the provisions of the 1949 Geneva Convention Relative to the Treatment of Prisoners of War. The President is authorized to make the determination.

SUSPENSION OF ASSISTANCE TO PAKISTAN

The new subsection 620(w) suspends all military, economic, and other assistance to the Government of Pakistan, including sales of military equipment and sales of agricultural commodities. The adoption of this provision demonstrates the Committee's deep concern over the repressive actions taken by the Government of Pakistan against the people of East Pakistan. It is the Committee's view that, in the current savage civil war between the western and eastern wings of Pakistan, the United States should be benevolently neutral, giving aid to neither side.

This suspension does not apply to the provision of food and other humanitarian assistance when such assistance is coordinated, distributed, or monitored under international auspices. The Committee, in authorizing \$250,000,000 for refugee relief, adopted language designed to stress the role of the international agencies and U.S. voluntary agencies in the relief effort. That language states that relief assistance "... shall be distributed to the maximum extent practicable, under the auspices of and by international institutions and relief agencies or United States voluntary agencies."

The Committee expects that "humanitarian relief" will be construed with a rule of reason with relieving human suffering as the objective. But under no circumstances is the language to be used to justify resumption of normal foreign aid activities under the guise of "humani-

tarian relief." Neither should articles, such as trucks or boats, provided for relief purposes be allowed to be diverted for military purposes.

The prohibition approved by the Committee is considerably more strict than that contained in the bill as passed by the House of Representatives. It prohibits providing military services as well as articles, guaranty of credit sales of military items as well as direct credit, and it suspends all outstanding licenses relating to export of military materials to Pakistan.

Under this provision no new loan agreements can be made, and disbursements under existing loan agreements can be made only pursuant to outstanding irrevocable letters of credit. Technical assistance contracts shall be terminated according to the termination provisions of the contracts. Title I sales programs under P.L. 480 shall be terminated, to the extent legally possible, except for those providing for famine or disaster relief directly for the people of East Pakistan. Other humanitarian relief under P.L. 480, Title II, could also be continued. It is expected that the A.I.D. mission staff would be withdrawn except for the personnel absolutely essential to winding up A.I.D. programs in an orderly fashion. The term "other assistance" is intended to prohibit any official U.S. action to suspend or postpone repayment of debts, including interest, owned by Pakistan to the United States, operation of Peace Corps programs, the making of Export-Import Bank loans, operation of programs by the Overseas Private Investment Corporation, as well as any other indirect aid to that government. The provision is not intended to affect funds made available for U.S. contributions to the Indus Basin Project.

Assistance and sales could be resumed after the President reports to Congress that the "Government of Pakistan is cooperating fully in allowing the situation in East Pakistan to return to reasonable stability and that refugees from East Pakistan in Indian have been allowed, to the extent possible, to return to their homes and to reclaim their lands and properties."

#### SECTION 107—ANNUAL FOREIGN ASSISTANCE REPORTS

This section would add a new section 653 to the Act to require that not later than December 31 of each year the President transmit to Congress a detailed report on all programs and categories of foreign assistance (as defined by the section) in terms of volume and cost provided during the previous fiscal year by the United States to all foreign aid recipients, both individually and collectively. In addition, the report is to include information on the volume and value of arms sales made to foreign countries and international organizations by U.S. private industry.

The purpose of this amendment is to bring together in a single report all of the data that is necessary to give Congress and the American public a full and complete overview of the entire U.S. foreign assistance effort.

During Congress' consideration of the Foreign Assistance Act and Foreign Military Sales Act legislation, it has become increasingly evident that the totality of the U.S. foreign aid effort is "unknown." This is due in large part to the fact that our aid programs involve any number of Executive Branch agencies and departments, ranging from the Agency for International Development, to the Department of De-

fense, to the Central Intelligence Agency. Just as there is no single department or agency responsible for the entire foreign assistance program, there is no single Congressional Committee that has legislative oversight responsibility for this program in its entirety. At a minimum, however, the Congress should have a complete report providing details on all of these programs and their cost to the taxpayer. Without this information it is virtually impossible to render a considered judgment on either the relative merits of each individual program or on the program as a whole.

#### SECTION 108—LIMITATION ON USE OF FUNDS

This section focuses attention on domestic vs. foreign needs. It calls upon the President to release by not later than December 31, 1971 all of the funds that were appropriated for domestic programs but later impounded during FY 1971. If the President does not release these funds by the December 31 deadline, then he is prohibited after that date from obligating or expending any funds appropriated pursuant to the Foreign Assistance Act or the Foreign Military Sales Act. The prohibition would continue to apply until the impounded funds were released and the Comptroller General so certified to the Congress.

The provisions of this section shall not apply to funds being withheld in accordance with specific legal requirements.

The latest information that the Committee was able to collect on the impounded funds issue indicates that the total amount of these funds is about \$12 billion. Of this total, more than \$10 billion for domestic programs was still impounded as of May 14, 1971, with the Office of Management and Budget estimating that perhaps half the amount would be released by June 30, 1972. In terms of the precise amounts now impounded, the Committee will rely on the determinations made by the General Accounting Office.

The objective of this amendment is to give the American public some indication that the Committee is just as aware of our domestic needs as it is of the needs of other countries. The provisions of the section say to the taxpayers of this country, "You will be assured of getting the funds appropriated by Congress for domestic programs and projects before additional foreign aid funds can be obligated for similar programs and projects in Rio de Janeiro, Nairobi or New Delhi."

In addition to focusing attention on domestic vs. foreign needs in the context of the whole national priorities debate this section of the bill also addresses the separation of powers issue and the Constitutional responsibilities of the Legislative and Executive Branches of our Government.

If the President is left free to impound funds appropriated by the Congress, this could result in an even greater unbalance between the two Branches than has developed in the field of foreign affairs. If the Congress's power of the purse is infringed or restricted in any way—such as through the impoundment of appropriated funds—Members of Congress might as well pack their bags and go home. This is the only real power the Congress has left and it must be guarded and protected, and kept whole and intact. The Committee believes that the requirements of this section are consistent with this goal.

SECTION 109—INTERPARLIAMENTARY UNION

Section 11 amends the 1953 Act, as amended, authorizing U.S. participation in the Interparliamentary Union. It increases the annual authorization of an appropriation from \$53,500 to \$102,000. Of this latter sum, \$57,000 is for the annual U.S. contribution toward the maintenance of the Bureau of the Interparliamentary Union and \$45,000 is for the purpose of defraying the expenses of the American group of members of Congress who participate. These increases arise from an increase in the U.S. assessment for its participation in the Interparliamentary Union, a more active role by the Union, from expanded U.S. participation in its deliberations, as well as from the re-evaluation of the Swiss franc, which is the currency unit used to settle its accounts.

SECTION 110—INTER-AMERICAN FOUNDATION: NEW NAME

Paragraphs (1), (2), and (3) of section 404 amend part IV of Public Law 91-175, enacted December 30, 1969, by changing the name of the Inter-American Social Development Institute to that of the Inter-American Foundation.

This change was recommended by the executive branch.

*Representation*

Paragraph (4) amends section 401(e)(4) of Public Law 91-175 by authorizing the Foundation to determine how its expenses for representation shall be allowed and paid, and by limiting such expenses to not more than \$10,000 in any fiscal year.

*Chief Executive Officer*

Subparagraph (1)(1) amends section 401(e)(4) of Public Law 91-175 by changing the designation of the chief executive officer of the Foundation from that of "Executive Director" to "President."

*Experts and Consultants*

Subparagraph (1)(2) further amends section 401(1) of Public Law 91-175 to authorize the Foundation to employ experts and consultants in accordance with the authority contained in 5 U.S.C. 3109. Under the provisions of that section experts and consultants are limited to temporary or intermittent employment. Temporary employment is defined as not in excess of 1 year.

SECTION III—ANNUAL AUTHORIZATIONS FOR STATE DEPARTMENT AND USIA

The purpose of this section is to require annual authorizations for appropriations for the Department of State and the United States Information Agency. Existing law now contains a permanent authorization for the activities of both.

A principal objective of the Legislative Reorganization Act of 1946, as amended, is to ensure more effective oversight and review by Congress of Executive Branch departments and agencies. Section 136 of the Act states that "... each Standing Committee of the Senate shall review and study, on a continuing basis, the application, administration, and execution of those laws, or parts of laws, the subject matter of which is within the jurisdiction of that Committee." This section



further requires that after January 1, 1973 each Standing Committee must report biennially to the Senate on its legislative review activities.

The Committee of Foreign Relations has legislative jurisdiction over the operations of both the Department of State and the United States Information Agency. Thus, requiring annual authorization for both will enable the Committee to carry out its oversight functions more effectively. It would also make both State and the USIA more responsive to the Committee and Congress. Much improvement is needed in this respect. For example, the bill which is the original basis for this amendment, S. 1894, was forwarded on May 25 to the Department of State for comment. The Department replied on September 29—some six months later, and only after the press carried reports that the Committee had tentatively adopted the proposal as an amendment to the foreign aid bill. Similarly, the Committee did not receive Executive Branch comments on the House-passed foreign aid bill (H.R. 9910) until September 30—even though the House passed the bill before the August recess. These examples are but the tips of a vast iceberg evidencing Departmental indifference to Congressional responsibilities.

The Committee has not had similar difficulties with the Peace Corps and the Arms Control and Disarmament Agency for which the Committee considers regular authorization bills. If this degree of oversight is maintained with respect to these two relatively minor agencies, whose combined annual authorizations are less than \$100 million, then similar legislative surveillance should be maintained over the State Department and USIA, whose current annual budgets total almost \$700 million.

The section also provides that all departments and agencies with operations abroad furnish, upon request, information concerning their activities to the Committee on Foreign Relations or the House Committee on Foreign Affairs. This provision is not intended in any way to impinge on the primary jurisdiction of any other committee of the Senate.

#### SECTION 112—USE OF FOREIGN CURRENCIES

Section 411 amends Section 502(b) of the Mutual Security Act of 1954, as amended, which deals with expenditures of foreign currencies by Congressional committees. Under present law, Members and employees of committees are authorized to draw not to exceed the equivalent of \$50 per day (exclusive of transportation costs) in foreign currencies to meet their subsistence expenses in connection with official travel outside the United States. As a practical matter, in most instances, these currencies have been purchased by the Executive Branch of the Government with appropriated funds. It is only in those few countries where local currencies are in excess of the amounts needed to meet U.S. requirements that dollars are not used to purchase foreign currencies. The amendment approved by the Committee would have the effect of requiring expenditures made in connection with travel abroad to be financed directly out of appropriated funds, except in the so-called "excess" currency countries (i.e., where the supply of currencies is more than enough to cover U.S. needs).

In such countries the equivalent of not to exceed \$100 per day (exclusive of transportation costs) could be made available to each Mem-

ber or employee to meet his subsistence expenses. The amendments also prohibits the use of excess currencies to pay the expenses or fees of witnesses appearing before Congressional committees in the United States. This latter provision would result in Congressional committees paying witness fees out of their own funds at rates authorized by the Senate or the House of Representatives, as the case may be.

## TITLE II. --HUMANITARIAN AND MULTILATERAL ASSISTANCE

### Subsection 201--Authorizations

Subsection 201(a) authorizes the appropriation of \$139,000,000 in fiscal year 1972 for voluntary contributions to various international organizations and programs.

#### International organizations and programs

1. Fiscal year 1970 appropriation.....	\$105,000,000
2. Fiscal year 1971 appropriation (includes \$14,300,000 for UNRWA).....	118,110,000
3. Fiscal year 1972 request.....	145,800,000
4. Committee recommendation: Fiscal year 1972.....	139,000,000

These contributions will help fund thirteen multilateral assistance programs, the largest of which is the UN Development Program.

For most of these international programs, the United States contributes between 33 and 40 percent of the total budget. The following compares U.S. contributions in FY 1971 with the authorization recommended for FY 1972.

#### VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS AND PROGRAMS

[In thousands of dollars]

	Fiscal year 1971 estimated	Fiscal year 1972 rec- ommendation
Multilateral technical assistance:		
U.N. development program.....	86,268	90,065
U.N. Children's Fund.....	13,000	15,000
U.N. population program.....	7,500	7,500
U.N. fund for drug abuse control.....	2,000	2,000
International Atomic Energy Agency-operational program.....	1,550	1,550
World Meteorological Organization-voluntary assistance program.....	1,500	1,500
U.N./FAO world food program.....	1,500	1,500
U.N. Institute for Training and Research.....	400	400
World Health Organization-medical research.....	150	312
International Secretariat for Voluntary Service.....	70	73
Special contributions for Vietnam.....	950	
U.N. Relief and Works Agency:		
Regular budget.....	<sup>2</sup> 13,300	13,300
Arab refugee vocational training.....	1,000	1,000
United Nations Force in Cyprus.....	6,000	4,800
Total, U.N. and related programs.....	\$135,188	\$139,000

<sup>1</sup> Includes \$4,000,000 from development loans for population program under title X.

<sup>2</sup> Funded from supporting assistance.

### Subsection 201(a)(1) United Nations Development Program

The United Nations Development Program (UNDP), created as a result of U.S. initiatives, is the world's largest program of multilateral technical assistance. It is also the hub in the UN system for all technical assistance activities administering over 70% of the technical assistance funds expended by all agencies in the UN system.

All countries that are members of the United Nations, the specialized agencies or the International Atomic Energy Agency are in principle eligible for assistance, and UNDP projects are currently under way in approximately 130 countries and territories.

Large-scale projects in agriculture, education, disease eradication, transportation, resource exploration and other fields comprise the major part of the UNDP's program. In addition, the UNDP undertakes smaller projects designed either to train nationals by means of fellowships or to provide countries with required expertise through the use of advisers. Although all of these projects in a broad sense constitute technical assistance, the larger scale projects have been commonly referred to by the UNDP as "Special Fund" projects. Both types of projects are ordinarily executed for the UNDP by the UN or one of the other organizations of the UN system.

Costing an average of slightly more than \$2 million each, with funds provided jointly by the UNDP and recipient countries and planned for two to five years duration, Special Fund projects may engage the services of a score of international experts and a substantial quantity of equipment. Approximately 800 such projects were under way at the end of 1970. At the first of its two regular sessions in 1971, the Governing Council approved 129 Special Fund projects expected to cost a total of \$295 million. Of this amount, \$131 million will be provided by the UNDP and \$164 million by the recipient governments in the form of counterpart contributions. The Council's action raised to 1,363 the total number of Special Fund projects initiated since 1959, with financing to consist of \$1.3 billion in UNDP resources and \$1.9 billion in counterpart contributions.

Of the projects approved through January 1971, 527 are surveys of natural resources and/or pre-investment feasibility studies; 485 involve technical education and training; 312 provide for applied research; and 39 consist of assistance in economic development planning. By economic sector, the projects may be broken down as follows: agriculture, 502; industry, 356; public utilities, 202; education and science, 111; public administration and other services, 64; housing and urban development planning, 23; health, 18; social welfare, 7; and multi-sector, 80. 505 of the preinvestment projects have been or will be carried out in Africa, 335 in Asia and Oceania, 315 in the Americas, 108 in the Middle East and 93 in Europe; 5 are inter-regional projects, and 2 involve research with potentially world wide implications.

The approximately 2,500 smaller scale "technical assistance" projects financed by the UNDP each year cost an average of only \$2,500 each, may involve only one UN expert or recipient country fellow, and may be complete in a period of several months. Program levels approved for 1971 include \$57.3 million for country projects and \$12.5 million for inter-regional projects.

The financial resources of the UNDP come from voluntary contributions pledged by governments. As of March 31, 1971, 128 countries had pledged \$240.1 million for that calendar year, compared with \$226.1 million pledged by 126 countries in 1970. In each of those years, the United States pledged \$86.3 million subject to the condition that its contribution should not exceed 40% of all governmental contributions, including assessed and audited local costs (estimated at \$16.2 million in 1970 and \$16.1 million in 1971).

The U.S. practice of pledging on a matching basis has been a factor in encouraging others to share the burden of the development effort. The U.S. contribution has fallen from a high of 40% of all government contributions to approximately 35.6% in 1970 and 33.7% in 1971.

The UNDP estimates that contributions and local cost assessments will total \$280 million in 1972. The Committee has authorized a U.S. contribution of \$90,065,000 for FY 1972.

*Subsection 201(a)(2)—United Nations Children's Fund*

The role of the United Nations Children's Fund (UNICEF) is essentially that of a catalyst, encouraging and stimulating efforts by the developing countries on behalf of their children and providing aid for programs which have a multiplier effect by reinforcing and spurring other elements in social and economic developments.

The main fields of UNICEF aid are health services, nutrition, education, vocational training, family and child welfare, multipurpose services, and emergency aid. UNICEF assistance is currently going to 112 countries and territories. A large part of this assistance takes the form of equipment and supplies. In recent years, however, other types of aid have become increasingly important—training stipends, financing selected teaching staff for specified periods in national and regional training schemes, and aid for planning and program development. Training of national personnel now constitutes about one-third of UNICEF program aid.

The Executive Board of UNICEF at its 1970 meeting approved commitments for program aid totalling \$51.8 million. Of these commitments, 55.2% are for health, 19.8% for education, 11.6% for nutrition, 4.2% for family and child welfare and the remaining for other categories.

Cash contributions from 124 governments to UNICEF's general resources in 1970 amounted to \$33.6 million, of which \$13 million was contributed by the United States. In addition, \$8.7 million was contributed by governments for specific projects, including \$4.2 million from U.S. disaster relief funds for emergency aid in Nigeria and East Pakistan. During 1970 the United States also transferred foodstuffs to UNICEF valued at \$6.4 million for on-going nutrition programs and emergency relief in Nigeria; these commodities were available under P.L. 480. Additional income is realized by UNICEF from non-governmental sources, through greeting card sales and public collections; U.S. non-governmental sources contributed \$6.4 million in 1970.

A contribution of \$15 million in cash is authorized for FY 1972.

*Subsection 201(a)(3)—United Nations Population Program*

Significant steps in the development of an effective UN population program were taken in 1969 with funds provided by the United Nations Fund for Population Activities (UNFPA), which was placed under management of the Administrator of the United Nations Development Program.

With the initial United States contribution of \$500,000 from FY 1968 funds, a field staff of 10 population officers began early in 1969 to help developing countries identify and prepare action projects in the population field. A further \$2.5 million was contributed in FY 1969 to help finance the expansion of population programs of the UN regional economic commissions in Africa, Latin America, and

Asia and the Far East; a number of UN population advisory missions to developing countries; and action projects requested by countries.

The U.S. proportion of the voluntary contributions to the UNFPA has been declining. Before 1970, the United States contributed over 80% of such funds. For 1970, the U.S. proportion of pledges to the Fund was just under 50%. In transmitting the 1971 pledge, U.S. officials informed the Executive Director of the Fund that they will review this ratio before making any further pledges.

The UNFPA allocated \$1.16 million in 1969 and \$6.7 million in 1970; for 1971, it estimates that it could usefully allocate \$30 million if sufficient funds are available.

Projects financed to date have included (1) large-scale support to two national family planning programs, covering the provision of transport, contraceptive supplies, medicine and equipment, consultants, and assistance to research, training and evaluation; (2) support for UN evaluation missions to four countries on two continents and two other missions to plan for demographic training and research facilities on a third continent; (3) support for the population and family planning programs of agencies in the UN system, including UNICEF, WHO, FAO, ILO, and UNESCO; and (4) a grant to the International Planned Parenthood Federation.

*Subsection 201(a)(4)—UN Fund for Drug Abuse Control*

The elimination of the illegal traffic in narcotics and other dangerous drugs and combatting the abuse of such drugs are high priority objectives of U.S. foreign policy. The Department of State, in cooperation with the Departments of Health, Education and Welfare and Justice, as well as other executive agencies, is pursuing that objective through both multilateral and bilateral channels.

On March 26 of this year, the UN Secretary General sent a letter to member governments announcing the establishment of a UN Fund for Drug Abuse Control and inviting contributions from public and private sources "for the purposes of combatting drug abuse and its disastrous impact on individuals and nations." This action was a result of a U.S. initiative which had been endorsed by the UN Commission on Narcotic Drugs in October 2, 1970, by the Economic and Social Council in November, and by the UN General Assembly in December.

The United States pledged \$2 million as an initial response to the Secretary General's appeal.

A personal representative of the Secretary General has overall responsibility for the Fund, including its development and maintenance. One of his first duties will be to seek additional contributions from other countries, a number of which are expected to contribute.

A further U.S. contribution of \$2 million in FY 1972 is authorized by this bill.

*Subsection 201(a)(5)—International Atomic Energy (IAEA)—Operational Program*

The IAEA Operational Program provides technical assistance to developing countries to advance the peaceful uses of atomic energy. The United States played a leading role in initiating this program.

The IAEA Operational Program, which is funded primarily by voluntary contributions from member states, provides fellowships for training in nuclear science and experts and equipment for technical

assistance projects, including the use of modern nuclear technology in hydrology, industrial processes, energy generation, medical diagnosis and treatment, and food preservation. During 1970 the program financed the assignment of 113 experts and visiting professors to member states, the award of 368 fellowships, and 18 international or regional training courses and seminars.

A contribution of \$1,550,000 to the Operational Program is authorized for FY 1972, the same amount as for 1971. As in 1971, the United States would contribute in U.S. dollars or other currencies a sum equal to its share of the target (\$2.5 million in 1971) at its assessed rate, subject to the provision that its contribution shall not exceed 40 percent of the total unrestricted cash contributions of all member states. On this basis, \$786,250 would be in cash and the remainder \$763,750, in kind.

Most industrialized countries have responded positively to the Agency's request to contribute voluntarily to the Operational Program at the same percentage rate as they are assessed for the IAEA regular budget. Consequently, in 1971, total contributions were sufficiently high that the 40% limitation in the U.S. pledge was inoperative, and the United States in effect contributed at its assessed rate, 31.45%.

*Subsection 201(a)(6)—World Meteorological Organization (WMO) Voluntary Assistance Program*

The WMO Voluntary Assistance Program, funded by voluntary contributions, was established by the World Meteorological Organization Congress in April 1967. At this same Congress, the WMO launched the World Weather Watch—a system which is designed to bring the global atmosphere under surveillance and provide for the rapid collection and exchange of weather data. This plan should improve weather forecasting for end-users, including agricultural producers and the construction, transportation and fisheries industries.

An appropriation of \$1.5 million in FY 1972, is authorized as a U.S. contribution to the Voluntary Assistance Program. This would provide a U.S. cash contribution of \$150,000 to the Voluntary Assistance Fund for CY 1972, 40% of the total unrestricted cash contributions of member nations. It would also provide \$1,350,000 for contributions-in-kind to the Equipment and Services Program. These contributions will consist of U.S. equipment, experts and services, and the training in the United States of persons from less developed countries in the field of meteorology. This program will be administered by the National Oceanic and Atmospheric Administration, which will be reimbursed from this appropriation for administrative costs estimated at 6% of project costs.

The amount authorized for FY 1972 would permit a U.S. contribution at the same level as in 1971 and 1970.

*Subsection 201(a)(7)—UN/FAO—World Food Program*

The World Food Program (WFP), a joint undertaking by the United Nations and the Food and Agriculture Organization, was established experimentally in 1962 and placed on a continuing basis in 1965. Contributions to WFP are mainly in food but also include cash and services such as ocean transportation. Donors in the 1969–1970 period totaled 76 countries.

Through 1970 the WFP Intergovernmental Committee has approved 478 development projects in 83 countries involving WFP commitments of more than \$1 billion. Of these projects, which have an average duration of four years, a total of 74, valued at \$40 million have been completed and 404 are in various stages of implementation. In addition, 122 emergency operations have been undertaken in 67 countries at a total cost of nearly \$100 million. Of these, 92 emergency operations involving \$68.8 million have been completed and 30 operations valued at \$27.3 million are still in operation.

For the current operational period (1971-1972), the United States pledged up to \$125 million, subject to action by Congress. This U.S. pledge comprises: (a) up to \$85 million in commodities, subject to the condition that the U.S. contribution in commodities does not exceed 50% of the total contributions of all governments in commodities and cash for the purchase of commodities; (b) shipping services to transport all commodities contributed by the United States, estimated at \$37 million; and (c) up to \$3 million in cash towards the administrative expenses of the Program. Against a \$300 million target, total effective pledges from 60 nations to date amount to \$186.9 million, of which approximately half is the U.S. share. \$1.5 million has been contributed to meet the cash portion of the U.S. pledge from FY 1971 appropriations and a like amount is authorized for FY 1972.

U.S. contributions of commodities and shipping services are provided under the Food for Peace Act (P.L. 480).

*Subsection 201(a)(8)—United Nations Institute for Training and Research*

The UN Institute for Training and Research (UNITAR) seeks to make the UN system more effective by: (1) applying modern research techniques to planning and evaluation of UN activities, (2) clarifying problems and issues that face the UN, (3) and providing training for UN personnel and for people from the developing nations in UN-related activities.

In its training role, UNITAR has organized courses in diplomacy and in the procedures and techniques of technical assistance. The United States has felt that the in-house capacity for training UN staff, particularly at the middle and higher levels, should be strengthened and therefore welcomed the decision last November of the UNITAR Board of Trustees to establish a UN staff college serving the entire UN system. Present plans are to finance this activity from the existing training budgets of participating UN agencies.

The UNITAR budget estimated for 1971 is \$1,443,000, as compared with last year's revised total of \$1,340,000. A United States contribution of \$400,000 is authorized for FY 1972, the same amount as in recent years, subject to the condition that U.S. cumulative contributions do not exceed 40% of total cumulative contributions from governments.

*Subsection 201(a)(9)—World Health Organization—Medical Research*

The International Agency for Research on Cancer (IARC) was established in 1965 by a resolution of the World Health Assembly. There are now eight members: Australia, France, Germany, Italy, the Netherlands, the United Kingdom, the USSR and the United States.

U.S. participation is designed to accelerate efforts to control cancer through expanded international cooperation. The Agency's work supplements that of countries engaged in national cancer research; and the international status of the Agency enables it to collect research data heretofore unavailable. The Director of the U.S. National Cancer Institute states that the IARC is an invaluable ancillary to the basic research program of the United States.

In October 1970, IARC's Governing Council voted to alter, effective for CY 1971 the quota system so as to provide for a base contribution of \$150,000 from each member and additional amounts based on capacity to pay. The United States and U.S.S.R., the two largest contributors, are each expected to contribute equal amounts. A U.S. contribution of \$312,000 is authorized for FY 1972.

*Subsection 201(a)(10)—International Secretariat for Volunteer Service*

The International Secretariat for Volunteer Service (ISVS), established in 1962 and now located in Geneva, encourages the formation of volunteer service organizations, both for domestic and overseas service, and assists governments in setting up and operating volunteer programs.

Activities include the international exchange of information on administrative, legal, medical, language training and other aspects of volunteer organizations through publications and work shops; regional staff training seminars conducted by ISVS regional offices in Latin America and Asia; and the maintenance of an international registry of volunteers wishing to serve abroad.

The ISVS budget for FY 1971 amounted to approximately \$220,000. Financial support is provided by about 20 governments. The U.S. pledged up to \$70,000 subject to the condition that its contribution not exceed 28% of total government contributions, and specified that its contribution be used to finance international clearing house functions.

ISVS has proposed a budget of \$242,600 for FY 1972 which would provide for increased activities in the development of multi-national teams as well as cover increased costs due to price and wage rises. A U.S. contribution of up to \$73,000 from FY 1972 funds is authorized, but limited to 28% of total contributions.

In addition to the U.S. cash contribution, the Peace Corps plans to continue to detail two staff members to ISVS.

*Subsection 201(a)(11)—United Nations Relief and Works Agency*

The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), created in 1949, provides food, housing, schooling, and health services for Arab refugees of the 1948-49 Arab-Israel conflict and, on a temporary basis, for some of the refugees of the 1967 war. United States support for UNRWA meets a clear humanitarian need.

At the end of 1970 the refugee population registered with UNRWA numbered approximately 1,436,829 (of whom over 800,000 were receiving rations from UNRWA), distributed as follows: East Bank of Jordan, 517,136; Israeli-occupied West Bank of Jordan, 269,996; Israeli-occupied Gaza strip, 312,922; Lebanon, 176,896; and Syria, 159,879.

UNRWA is still attempting to cope with the effects of the June 1967 war, when over 300,000 persons fled to the East Bank of the



Jordan from the West Bank and Gaza and were subsequently denied return by the Government of Israel. At the request of the UN General Assembly, UNRWA is helping the Governments of Jordan and other host countries in the administration of food, housing and health services to about 200,000 persons displaced by the June war who are not registered refugees.

The United States contributed \$22.2 million to UNRWA's regular budget for FY 1970 and 1971—\$13.3 million in dollars and U.S.-owned excess currencies and \$8.9 million in commodities available under P.L. 480. For FY 1972 a contribution at the same level and with the same division between cash and commodities is proposed. As in previous years the U.S. contributions will be limited to a maximum of 70% of total government contributions. As other governments' support of UNRWA has increased, the U.S. share has been proportionately reduced from 70% to about 55% in 1970.

In addition, the United States made special contributions of \$1 million each in FY 1970 and 1971 for technical and vocational training of Arab refugees, as authorized by Congress. These funds are being used to expand facilities in several vocational training centers and to maintain other activities designed to improve the skills of Arab refugees which otherwise might be discontinued for lack of funds. The Committee has again authorized this special contribution of \$1 million for FY 1972, in addition to the regular contribution of \$13.3 million.

*Subsection 201(a)(12)—Technical and Vocational Training of Arab refugees*

This subsection authorizes an appropriation of \$1 million for fiscal year 1972 for an additional contribution to the United Nations Relief and Works Agency for expansion of technical and vocational training of Arab refugees. This special authorization was initiated by Congress in 1969 and \$1 million was provided for this purpose in each of the fiscal years 1970 and 1971.

*Subsection 201(a)(13)—United Nations Force in Cyprus*

The UN Force in Cyprus (UNFICYP) was established in March 1964 to contribute to the restoration and maintenance of constitutional government and order in Cyprus, and to a return to normal conditions. The Security Council since 1964 had periodically extended UNFICYP's mandate. The size of the force requested in 1964 was 7,000 men. As a result of reductions made over the years, the force now numbers about 3,182 men comprised of the following national contingents:

Australia.....	50
Austria.....	100
Canada.....	577
Denmark.....	336
Finland.....	288
Ireland.....	428
Sweden.....	325
United Kingdom.....	1, 078

The larger portion of the total costs of the UNFICYP operation since 1964 have been met from a fund administered by the UN and financed by voluntary contributions from member states and other governments. The UN estimates that the costs borne by this fund since 1964 totalled \$131.3 million through June 15, 1971. Of this the

United States has thus far pledged \$52.1 million for costs through December 15, 1970. The remainder of the costs are borne by governments which provide military and police contingents and themselves bear a substantial share of the financial burden of such contingents. From the inception of UNFICYP through December 1970 such contributions-in kind are estimated at \$36.1 million, of which the U.S. furnished airlift services valued at \$1.3 million. Taking into account both categories of contributions, the United States has pledged or furnished about one-third of the cumulative costs to date.

An authorization of \$4.8 million is provided for the U.S. contribution to UNFICYP during FY 1972. This amount would represent about 40% of the estimated cash costs to the UN for maintenance of the force.

*Subsection 201(b)(1)—American Schools and Hospitals Abroad*

This section of the bill authorizes the appropriation of \$15,000,000 for fiscal year 1972 for the purpose of assisting "schools and libraries outside the United States founded or sponsored by United States citizens and serving as study and demonstration centers for ideas and practices of the United States." The section applies similarly to "hospital centers for medical education and research outside the United States, founded or sponsored by the United States citizens."

In recent years it has become the practice for Congress to specify each individual project and the amount to be spent on it from funds authorized by this section. This procedure has proved to be counter-productive and led, perhaps inevitably, to a considerable lobbying effort on behalf of American sponsored schools and hospitals abroad. As a result, the list of projects has increased significantly and Congress has not had sufficient opportunity to analyze the merits of each. The number of projects vying for a Congressional stamp of approval has increased several fold during the last few years. This year, for example, the Agency for International Development proposed a total of ten projects costing \$10.2 million. The House foreign aid bill listed an additional twenty projects, bringing the total cost to \$28.7 million. Some of these projects were also presented to this Committee. Thirteen projects in addition to those on the House list, totaling \$13.7 million have been submitted to the Committee on Foreign Relations for its consideration. These projects are as follows:

1. Beth-Avoth American Geriatric Center.....	\$1, 200, 000
2. Beth Rivka Comprehensive School for Girls.....	1, 500, 000
3. Technion, The Israel Institute of Technology.....	4, 000, 000
4. Musa Alami Foundation of Jericho.....	200, 000
5. Kiriath Noar—A "Boys Town" type school for orphaned boys....	500, 000
6. University of Pittsburgh—Haifa University Cooperative Study Program.....	2, 000, 000
7. Cefardic Vocational College for Girls.....	300, 000
8. Tom School.....	1, 000, 000
9. Ch'san <del>Soter</del> Chasan Yecheskel Institute.....	350, 000
10. Shaari Zedak Hospital.....	750, 000
11. Betsefer Miksoi Tichoni Lemechonaut Rechev U.M.....	840, 000
12. Hebrew Union College Biblical and Archaeological School in Jerusalem.....	978, 800
13. Shocken Institute for Jewish Research in Jerusalem.....	1,000,000
Total.....	14, 618, 800

Because of the proliferation of projects, the Committee reached the conclusion that corrective action must be taken this year. Most importantly, the Committee believes that Congress should not put itself in the position of picking and choosing among proposals for individual school, hospital, or library projects in foreign countries. This is not the task of Congress. Nor is Congress best equipped to initiate such projects.

The role of Congress, in this instance, is to render an overall judgment about the value of the entire program based on testimony and evidence presented by AID and State Department officials and other witnesses. It is the responsibility of Executive-Branch officials to weigh the relative merits and weaknesses of each specific project, subject of course to overall Congressional review. Accordingly, the Committee has authorized a lump sum of \$15,000,000 for this program but without allocating amounts to individual projects.

In taking this action, the Committee was faced with the practical problem of the House already having listed individual projects and recommended specific amounts for each in H.R. 9910. In view of this situation, the Committee expects that AID and the State Department will consider the projects submitted to the Committee, as listed above, on an equal basis to those recommended by the House. In considering the projects submitted to both the Senate and the House, AID and State Department officials should weigh each on its merits according to the established criteria used by AID and the State Department to evaluate the merits of Section 214 projects and in consultation with the host government. The Committee is not sure that all of the projects submitted to it qualify for funding under the Act. The combined Senate and House list is not intended to exclude other appropriate projects from consideration and evaluation by Executive Branch officials.

*Subsection 201(b)(2)—Indus Basin Project*

This subsection authorizes the appropriation of \$15,000,000 for fiscal year 1972 for U.S. grant contributions to the World Bank-administered consortium which is financing the Indus Basin development project.

Because of the possibility that funds appropriated for the Indus Basin could be transferred and consolidated with funds for other assistance programs, the Committee has added language to the bill in subsection 204(1) to prevent any transfer of these funds, as the President may otherwise be able to do under Sections 610(a) and 614(a) of the Act.

The amount authorized by the Committee is the same as that requested by the Administration and may be compared to the following: Indus Basin—Comparative Data (Note.—Authorization is required only for grants for the Indus Basin project. Loans are already authorized under Sec. 302(b)(1) of the Foreign Assistance Act of 1931 as amended.):

1. Fiscal year 1970 appropriation.....	\$7, 500, 000
2. Fiscal year 1971 appropriation.....	4, 929, 000
3. Fiscal year 1972 request.....	15, 000, 000
4. Committee recommendation:	
Fiscal year 1972.....	15, 000, 000

The Committee strongly favors this type of development project and the multilateral auspices under which it is being carried out.

The Indus Basin Settlement Agreements of 1960 and 1964 provide for the establishment of the Indus Basin Development Fund to finance a construction program which ensures an equitable division of the waters of the Indus Basin between India and Pakistan and helps provide arable land for over 50 million people in those countries. The United States and eight other donors (the World Bank, Australia, New Zealand, Pakistan, United Kingdom, Canada, Germany and India) contribute to the fund.

The Indus Basin Settlement succeeded in forestalling imminent hostilities between India and Pakistan over the Indus waters. Under the agreements, India received the use of the waters of the three eastern rivers—the Ravi, Beas and Sutlej—and Pakistan the use of the waters of the three western rivers—the Indus, Jhelum and Chenab. The downstream irrigated areas in Pakistan formerly dependent on water from the three western rivers through a series of barrages (low dams) and replacement link canals supplemented by the construction of a high storage dam on the Jhelum. In addition to replacing water diverted to India, the agreements provide for a substantial element of development for Pakistan which has been identified largely with the Tarbela Dam on the Indus. This structure will impound 11 million acre feet of water for additional irrigation of the 50 million acre area and have an initial power capacity of 700 megawatts.

Over 95% of the replacement works of the Indus Basin has been completed, including the Mangla Dam, 300 miles of link canals and 7 barrages. The Chasma-Jhelum link canal was substantially completed on November 2, 1970, 5 months ahead of schedule. Commissioning is due to commence in May 1971. Completion of the Taunsa-Panjnad 50-mile link canal is expected by October 1971; and the Chasma Barrage, by May 1971. The Government of Pakistan, with the approval of the IBRD, concluded a contract for the main civil works of the Tarbela Dam in May 1968. The bulk of the funds applied to the Indus fund this year and in the future will finance the construction of Tarbela Dam, which is scheduled for completion in 1976.

The Indus Basin Development Fund Agreement provides that contributors make payments to the Indus Fund according to a fixed apportionment upon semiannual call from the World Bank. Funds are called on the basis of the anticipated rate of construction and disbursements.

The total commitment to the Indus Fund, including the carryover for Tarbela, amounts to \$1,541.2 million in foreign exchange and rupees. The United States has pledged \$295 million in grants, \$121.2 million in loans, and \$235 million equivalent in P.L. 480 Pakistan rupees. India is contributing \$168.8 million in foreign exchange, and Pakistan is contributing \$1.2 million in foreign exchange and \$360.5 million equivalent in rupees. In addition, Pakistan is meeting all rupee requirements for the Tarbela Dam which amount to about \$500 million equivalent.

Disbursements through December 1970 included \$526.9 million from the United States, \$168.8 million from India, \$395.6 million from Pakistan and \$271 million from other donors.

*Section 201(b)(3)—Contingency Fund*

This section authorizes the appropriation of \$30,000,000 for fiscal year 1972 for the contingency fund.

The Committee believes that the amount authorized is in line with AID's use of the contingency fund over the past several years and should be sufficient to meet unforeseen developments or situations during FY 1972 which are not of sufficient magnitude for the President to make a special request to Congress for additional funds.

(In millions)		
	Authorized	Used
Fiscal year:		
1968.....	\$50	\$27.5
1969.....	10	13.9
1970.....	30	27.7
1971 (estimated).....	30	29.3

*Subsection 201(C)—Relief for Pakistani Refugees*

This provision authorizes \$250,000,000, requested by the President, for use in providing for the relief of refugees from East Pakistan in India and for humanitarian relief in East Pakistan. These funds will be in addition to those available for humanitarian and relief assistance under Public Law 480.

The Committee is greatly concerned over the tragedy taking place in East Pakistan. The Agency for International Development estimated that, as of October 14, more than nine and one-half million East Pakistanis had fled their homes to take refuge in India. And the flow continues. Famine threatens many millions of Bengalis who remain in East Pakistan. The United States has a very strong interest in helping in every way possible to avert war and massive human suffering in that area.

The Committee has been advised that the United Nations is leading and coordinating international humanitarian relief efforts in both India and East Pakistan. The Agency for International Development estimates that the total costs of providing food, water, clothing, shelter, medicine, and skeletal public services for the refugees in India will cost about \$95 million per one million refugees for the first year. This totals over \$900 million for first-year costs for the existing refugee load.

According to the latest information available to the Committee, total refugee aid to India from all sources amounts to about \$210 million, of which the United States has contributed \$89.2 million. It is estimated that the costs thus far exceed \$350 million, most of which has been borne by the Indian government. United States grant funds for refugees in India are contributed as part of the international relief effort which is being coordinated by the UN High Commissioner for Refugees (UNHCR). These funds are made available through the Office of Refugee and Migration Affairs, Department of State. Some of the grant funds are being allocated directly to the Government of

India and some to the UN High Commissioner for Refugees (UNHCR) or directly to other international voluntary agencies, depending upon priority needs of the refugee situation and capabilities and plans of the various organizations involved. P.L. 480 food assistance is made available through A.I.D. channels.

The relief requirements in East Pakistan are difficult to estimate. A United Nations team has estimated that there will be a foodgrain shortfall in East Pakistan of 1.8 million tons. In addition, edible oils and high protein foods will be needed to supplement grain requirements. According to A.I.D., total U.S. humanitarian relief for East Pakistan since March 25 comes to \$82.3 million in dollars and food aid, and U.S.-owned local currency. Assistance from other nations totals \$37.5 million.

In East Pakistan the monitoring of the receipt and distribution of foodstuffs and other relief assistance is being carried out by a special UN Relief Supervisory Team set up by the Secretary General. Primary distribution of foodstuffs is being made by the Food Department of the Government of East Pakistan under the supervision of that Team.

In authorizing \$250 million for relief activities the Committee expects that Executive Branch officials will exert every effort to get other countries, including the Soviet Union and other Communist nations, to pay a fair share of the costs of this tragedy. The Executive Branch estimates that countries other than the United States have, thus far, contributed \$159 million in goods and services for the refugee relief effort. The Committee does not intend that the United States, in any way, assume primary responsibility for the refugee problem. This is an international disaster and the responsibility must be shared by the entire world community under the leadership of the United Nations.

The Committee adopted the following amendment to stress its concern that government-to-government channels be minimized in the distribution of relief and to forestall the possible buildup within the Agency for International Development of a large operating arm to carry out disaster relief programs:

"Such assistance shall be distributed, to the maximum extent practicable, under the auspices of and by international institutions and relief agencies or United States voluntary agencies."

The Committee does not wish the U.S.-Pakistani relief effort to be used by A.I.D. as a foot in the door to build up an operating disaster relief agency, as A.I.D.'s normal activities are curtailed by the shift of our aid to a multilateral basis. The Committee is of the view that central direction and control over United States efforts to provide aid in this disaster should be in the Department of State, not A.I.D. It has, therefore, adopted language which will require that appropriations for relief of Pakistan refugees be consolidated with funds appropriated under the Migration and Refugee Assistance Act of 1962. The provision also states that the limitation on transfer of foreign assistance funds in section 2(c) of that act shall not apply to this transfer. The Committee believes that the international organizations and the voluntary agencies provide the most effective organizational framework for distribution of U.S. relief in disaster situations.

Printed below are two tables providing information on the United States relief assistance furnished in both India and East Pakistan:

*South Asia Relief Assistance*

(Contributions reported as of Oct. 19, 1971)

Refugee Relief in India:	
U.S. Government Assistance.....	\$89, 157, 000
(Of which Dollar Assistance was \$35,500,000; and Food Assistance was \$53,657,000)	
Assistance from Other Sources.....	121, 068, 766
(U.S. contributions as 42% of total)	
East Pakistan Relief:	
U.S. Government Assistance.....	92, 300, 000
(Of which Dollar Assistance <sup>1</sup> was \$9,000,000; Food Assistance, <sup>2</sup> \$69,800,000; and Local Currency Assistance, \$13,500,000)	
Assistance from Other Sources.....	37, 510, 146
(U.S. contributions as 71% of total)	

<sup>1</sup> Excludes \$4.7 million for cyclone rehabilitation projects which is available for current expenditure.

<sup>2</sup> Excludes \$18.3 million food for cyclone relief authorized earlier but being delivered currently, and also excludes \$38.9 million of previously authorized normal P.L. 480 food which is also being delivered this fiscal year.

Source: A.I.D.

SOUTH ASIA RELIEF ASSISTANCE (AS OF OCT. 19, 1971)

(In millions of dollars)

	Allocation of international assistance between India and Pakistan		U.S. assistance only	Percent share
	Total assistance from all sources	Percent share		
India.....	210.2	62	89.2	44
Pakistan.....	129.8	38	93.3	56
Total.....	340.0	100	182.5	100

U.S. SHARE OF TOTAL INTERNATIONAL RELIEF ASSISTANCE

	Total	Percent share
United States.....	181.5	53
Other donors.....	158.5	47
Total.....	340.0	100

Source: AID.

*Subsection 201(d)—Applicability of the Foreign Assistance Act of 1961*

This subsection provides that any appropriations made pursuant to this bill shall be governed by the applicable provisions of the Foreign Assistance Act of 1961.

*Section 202—Suez Canal*

Section 202 adds a new section to Title II of the Act which authorizes an appropriation of the equivalent of \$10 million in Egyptian pounds, owned by and excess to the needs of the United States, for the purpose of assisting in the reopening of the Suez Canal. In no case will the United States furnish such assistance until the parties involved—principally the United Arab Republic and Israel—have reached

agreement on this matter. Another condition for U.S. assistance is that the agreement stipulate that the canal will be open on equal terms to the ships of all nations, including Israel, on a nondiscriminatory basis.

The Committee believes this authorization may prove useful if and when a negotiated settlement is reached in the Middle East. However, rather than provide an open-ended authorization for the appropriation of U.S.-owned Egyptian pounds for this purpose, the Committee believes that the equivalent of \$10,000,000 in such funds should prove sufficient for the foreseeable future. If future developments warrant increased funding, the Congress can authorize additional funds.

*Section 203—International Drug Control Assistance and Related Restrictions*

*Subsection 203(a)* adds a new title IIA dealing with international drug control assistance to Chapter 2 of Part I of the Foreign Assistance Act. Pursuant to its terms, the President is authorized to furnish assistance to any foreign country in order to encourage and enable such country to control or eliminate the production, processing or distribution of drugs (as defined by the Comprehensive Drug Abuse Prevention and Control Act of 1970) within or across its boundaries. In addition, the President is authorized to furnish assistance to any international organization, such as the United Nations Special Fund for Drug Abuse Control, for the same purpose. Not less than \$25,000,000 of Foreign Assistance Act funds shall be available in each fiscal year only to carry out the provisions of the new title.

Subsection (b) adds a new subsection (x) to Section 620 of the Foreign Assistance Act, relating to prohibitions against furnishing assistance. It provides that the President shall determine annually, before furnishing any assistance to a foreign country, whether such country has undertaken appropriate measures to prevent drugs, partially or completely processed or produced in or transported through such country, from unlawfully entering the United States or being unlawfully supplied to American citizens. If the President determines that such country has not taken appropriate measures to control the illegal flow of narcotic drugs into the United States, he shall cease to furnish all assistance to that country and seek, through the United Nations or any other international organization, the imposition of international sanctions against such country. On the other hand, if the President finds, after his determination to cease to furnish assistance to a foreign country, that such country has undertaken appropriate measures to prevent the illicit flow of drugs into the United States, or finds that the overriding national interest requires that assistance be furnished to such country, he may continue or resume assistance to the country, as the case may be.

The new subsection also provides that the President shall utilize agencies and facilities of the United States Government to assist foreign countries in their efforts to prevent drugs from unlawfully entering this country or being supplied to our citizens. No law shall be construed to authorize the President to waive the provisions of this subsection.

The President would be required to report to the Congress within 90 days after the annual determination made pursuant to paragraph (1) of the new subsection 620 (X) of the act. It would also require a



report on any action taken under paragraph (3). In reporting to the Congress, the President would be required to provide a detailed assessment of the effort made by each aid-receiving country to curb illicit drug trafficking, so that Congress and the American people might have some way of judging the President's actions on continuing or cutting off aid to a particular aid recipient.

*Subsection 204(1)—Limitation on Use of Transfer and Waiver Authority*

Subsection 204(1) amends section 302 (b)(2) of the Foreign Assistance Act, relating to authorization of appropriations for the Indus Basin. Because of the possibility that funds appropriated for the Indus Basin could be transferred and consolidated with funds for other assistance programs, the Committee has added language to prevent any transfer of these funds, as the President may otherwise be able to do under Sections 610(a) and 614(a) of the Act.

*Subsection 204(2)—Egyptian Pounds*

Subsection 204(2) authorizes the appropriation of \$1 million for fiscal year 1972 in Egyptian pounds owned by the United States and determined to be excess to the requirements of the U.S. Government, for the purpose of providing technical and vocational training and other assistance to Arab refugees.

Amounts appropriated under this subsection are authorized to remain available until expended.

The Committee believes that training and resettlement of refugees can help to promote a solution of the Arab refugee problem in the Middle East. The United States owns a substantial amount of Egyptian pounds which are currently excess to the needs of our Government departments and agencies. Since it appears that some of those pounds might be utilized to expand vocational training of Arab refugees, the Committee recommends that the President be given the authority contained in this subsection.

*Subsection 205(a)—Assessments for the Regular Budget of the United Nations*

This subsection urges the President to enter into such negotiations as may be necessary for the purpose of implementing that portion of the report of the President's Commission for the observance of the Twenty-fifth Anniversary of the United Nations (the Lodge Commission) which recommended that the regular assessment paid by the United States to the United Nations not exceed twenty-five percent of the total costs assessed against all U.N. members for any one year. At the present time the United States is paying 31.52 percent of the regular budget assessments of the U.N.

The pertinent position of the Commission's report follows:

The Commission recommends that the United States affirm its intention to maintain and increase its total contributions to the UN, but that, as part of a redistribution of responsibilities, it will seek over a period of years to reduce its current contribution of 31.52 percent to the assessed regular budget of the Organization so that eventually its share will not exceed 25 percent.

In recommending that the United States seek a reduction of the percentage of its assessment for the regular budget, the

Commission wishes to emphasize that it is in no way proposing any diminution of the overall commitment of U.S. resources to the UN system. Each reduction in the U.S. share of the regular budget must be clearly marked by at least a corresponding increase in U.S. contributions to one or more of the voluntary budgets or funds in the UN system.

*Subsection 205(b)—Annual Authorization of Contributions to the United Nations*

This subsection amends the United Nations Participation Act of 1945 to require annual authorization of appropriations for United States assessments and contributions to the United Nations and related organizations. This requirement will insure that Congress is provided an opportunity each year to render a more considered and informed judgment on the value of our participation in the United Nations.

### SUPPLEMENTAL VIEWS OF SENATOR FULBRIGHT

Although I voted to report the two interim foreign aid authorization bills, I believe that the Committee's refusal to give the Senate an opportunity to vote clearly on the three major components of foreign aid and its failure to cut the money amounts again endangers the entire aid program. There is still a long legislative gauntlet to be run.

The Senate's rejection of H.R. 9910 reflected the growing dissatisfaction by members with one or more components of foreign aid. Some support bilateral economic and humanitarian aid but oppose military aid. Many support military aid and oppose economic assistance. Others support multilateral and humanitarian aid but oppose bilateral aid, as presently constituted. And so it goes. Foreign aid bills have become a "grab bag" with something in them for everyone. Members of the Senate have not been accorded the opportunity to vote on the merits of each major aid category—bilateral economic aid, military aid, and multilateral and humanitarian aid.

In order to ensure that each aid category stood, or fell, on its own merit, I offered three bills in the Committee which separated the present hodge-podge of programs into three categories and allowed authorizations at a reduced level during the phaseout period. Three bills, instead of two, would have provided a sharper delineation of the purposes and objectives of each aid category, and given guidance on how the Senate wants the new foreign aid programs to be shaped for the future. But the Committee decided to combine bilateral economic aid with humanitarian and multilateral programs. The package approved by the Committee lumps A.I.D. programs to promote anti-communist labor unions in Latin America with those providing relief for Pakistani and Arab refugees. It again prevents the Senate from working its will in a clearcut way.

The bills I proposed would have authorized a total of \$2.1 billion in all categories, with \$1.0 billion for military aid, \$620 million for bilateral economic aid, and \$445.9 million for multilateral and humanitarian assistance. Including the \$250 million for relief of Pakistani refugees, this would have been \$180 million more than Congress appropriated for FY 1970.

With a \$30 billion-plus deficit facing the Federal Government, an unprecedented balance of payments gap, and the deterioration of our domestic situation, particularly in the big cities, I think the Committee should have held the line closer to the 1970 amount. But, instead, it approved a total aid package which is \$444 million above the 1970 figure and \$263 million more than I proposed. Two-thirds of the increase is on the military side.

I regret both of these actions. In my opinion, they go against the spirit of the Senate's rejection of the old approach to foreign aid, and endanger the passage of any foreign aid program this session. The Senate should not be forced to vote on a warmed-over version of what it rejected on October 29th. Together, these bills are little more than a

slightly scaled-down H.R. 9910. Senators are still being asked to take the good along with the bad. The Committee's action has, I fear created a situation where it is quite possible that Congress may reject the entire program, which, in my opinion, would not be in the interest of our country.

#### CHANGES IN EXISTING LAW

In compliance with paragraph 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

### I. FOREIGN ASSISTANCE ACT OF 1961

\* \* \* \* \*

#### PART I

\* \* \* \* \*

### Chapter 2.—DEVELOPMENT ASSISTANCE

#### TITLE I—DEVELOPMENT LOAN FUND

##### SEC. 201. GENERAL AUTHORITY.—

\* \* \* \* \*

(d) Funds made available for this title shall not be loaned or re-loaned at rates of interest excessive or unreasonable for the borrower and in no event shall such funds (except funds loaned under section 205 and [funds which prior to the date of enactment of the Foreign Assistance Act of 1968 were authorized or committed to be loaned upon terms which do not meet the minimum terms set forth herein] be loaned at a rate of interest of less than 3 per centum per annum commencing not later than ten years following the date on which the funds are initially made available under the loan, during which ten-year period the rate of interest shall not be lower than 2 per centum per annum, nor higher than the applicable legal rate of interest of the country in which the loan is made.) *funds which prior to the date of enactment of the Special Foreign Economic and Humanitarian Assistance Act of 1971 were committed to be loaned upon terms which do not meet the minimum terms set forth herein) be loaned at a rate of interest of less than the rate which the Secretary of the Treasury determines to be equal to the current available interest rate, as of the last day of the month preceding the making of such loan, that the United States paid on its outstanding marketable obligations of comparable maturities.*

SEC. 202. AUTHORIZATION.—(a) There is hereby authorized to be appropriated to the President for the purposes of this title \$685,000,000 for the fiscal year 1967, \$450,000,000 for the fiscal year 1968, \$350,000,000 for the fiscal year 1969, \$350,000,000 for the fiscal year 1970, and \$350,000,000 for the fiscal year 1971, which sums shall remain available until expended: *Provided*, [That any unappropriated portion of the amount authorized to be appropriated for any such fiscal year may be appropriated in any subsequent fiscal year during the above period in addition to the amount otherwise authorized to be

appropriated for such subsequent fiscal year: *Provided further,* That in order to effectuate the purposes and provisions of sections 102, 201, 601, and 602 of this Act, not less than 50 per centum of the funds appropriated pursuant to this subsection *for each of the fiscal years ending June 30, 1970, and June 30, 1971,* *for the fiscal year ending June 30, 1972,* shall be available for loans made to encourage economic development through private enterprises: *Provided further, That none of the funds made available under this title shall be used by South Korea in connection with the construction and operation of commercial fishing vessels, fish processing, or the marketing of fish products.*

\* \* \* \* \*

[SEC. 205. In order to serve the purposes of this title and the policy contained in section 619, 10 per centum of the funds made available for this title shall be available for transfer, on such terms and conditions as the President determines, to the International Development Association, the International Bank for Reconstruction and Development, the International Finance Corporation, or the Asian Development Bank for use pursuant to the laws governing United States participation in such institutions, if any, and the governing statutes thereof and without regard to section 201 or any other requirements of this or any other Act.]

\* \* \* \* \*

SEC. 209. MULTILATERAL AND REGIONAL PROGRAMS.—[(a) MULTILATERAL PROGRAMS.—The Congress recognizes that planning and administration of development assistance by, or under the sponsorship of, multilateral lending institutions and other international organizations may, in some instances, contribute to the efficiency and effectiveness of that assistance through participation of other donors in the development effort, improved coordination of policies and programs, pooling of knowledge, avoidance of duplication of facilities and manpower, and greater encouragement of self-help performance.] (a) *The Congress recognizes that the planning and administration of development assistance by, or under the sponsorship of the United Nations, multilateral lending institutions, and other multilateral organizations contribute to the efficiency and effectiveness of that assistance through participation of other donors in the development effort, improved coordination of policies and programs, pooling of knowledge, avoidance of duplication of facilities and manpower, and greater encouragement of self-help performance. It is the sense of Congress that an increasing proportion of United States assistance to the developing countries should be channeled through multilateral organizations and that the United States Government should undertake such measures as may be necessary to help increase the competency and capacity of such organizations.*

(b) [REGIONAL PROGRAMS.—] It is further the sense of the Congress (1) that where problems or opportunities are common to two or more countries in a region, in such fields as agriculture, education, transportation, communications, power, watershed development, disease control, establishment of development banks, these countries often can more effectively resolve such problems and exploit such opportunities by joining together in regional organizations or working together on regional programs, (2) that assistance often can be utilized more efficiently in regional programs than in separate country programs, and (3) that to the maximum extent practicable consistent with the

purposes of this Act assistance under this Act should be furnished so as to encourage less developed countries to cooperate with each other in regional development programs.

(c) *Notwithstanding any other provisions of law, the President shall reduce the amounts and numbers of loans made by the United States directly to individual foreign countries with the objective of phasing out the bilateral loan program by not later than June 30, 1975.*

(d) *In furtherance of the provisions of subsection (a) of this section, any funds appropriated under this part I may be transferred by the President to the International Development Association, the International Bank for Reconstruction and Development, the International Finance Corporation, the Asian Development Bank or other multilateral lending institutions and multilateral organizations in which the United States participates for the purpose of providing funds to enable any such institution or organization to make loans to foreign countries. Any such transfer shall be made—*

*(1) only if the institution or organization agrees that, in making loans out of funds so transferred, it will emphasize and take into account those matters emphasized and taken into account by the President under sections 201(b) and (f), 207, and 208 of this Act;*

*(2) without regard to any other provision of this title; and*

*(3) upon such other terms and conditions as the President may determine.*

\* \* \* \* \*

## TITLE II—TECHNICAL COOPERATION AND DEVELOPMENT GRANTS

\* \* \* \* \*

*SEC. 220A. SUEZ CANAL.—The President is authorized to furnish financial assistance, on such terms and conditions as he may determine, for assisting in the reopening of the Suez Canal after agreement has been reached by the parties involved, which agreement provides for the use of the Canal by the ships of all nations, including Israel, on a non-discriminatory basis. For the purpose of carrying out this section, there are authorized to be appropriated not to exceed \$10,000,000 in Egyptian pounds now owned by the United States and determined by the President to be excess to the normal requirements of departments and agencies of the United States. Amounts appropriated under this section are authorized to remain available until expended.*

## TITLE III—HOUSING GUARANTIES

*SEC. 221. WORLDWIDE HOUSING GUARANTIES.—In order to facilitate and increase the participation of private enterprise in furthering the development of the economic resources and productive capacities of less developed friendly countries and areas, and promote the development of thrift and credit institutions engaged in programs of mobilizing local savings for financing the construction of self-liquidating housing projects and related community facilities, the President is authorized to issue guaranties, on such terms and conditions as he shall determine, to eligible investors as defined in section 238(c), assuring against loss of loan investments for self-liquidating housing*

projects. The total face amount of guaranties issued hereunder, outstanding at any one time, shall not exceed ~~[\$130,000,000]~~ \$180,000,000. Such guaranties shall be issued under the conditions set forth in section 222(b) and section 223.

\* \* \* \* \*

SEC. 223. GENERAL PROVISIONS.—

\* \* \* \* \*

(i) The authority of section 221 and section 222 shall continue until ~~[June 30, 1972]~~ June 30, 1973.

### TITLE IIIA—INTERNATIONAL DRUG CONTROL ASSISTANCE

SEC. 225. AUTHORITY.—(a) *The President is authorized to furnish assistance to any foreign country, on such terms and conditions he determines necessary, in order to encourage and enable that country to control or eliminate the production, processing, or distribution of drugs within or across its boundaries.*

(b) *The President is authorized to furnish assistance to any international organization, such as the United Nations fund for drug abuse control, involved in efforts to control or eliminate the production, processing, or distribution of drugs.*

(c) *Of the funds provided to carry out the provisions of this Act, not less than \$25,000,000 shall be available each fiscal year only to carry out the provisions of this title.*

(d) *For purposes of this section, "drug" means any matter which is included within the definition of controlled substance under title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970.*

### TITLE IV—OVERSEAS PRIVATE INVESTMENT CORPORATION

\* \* \* \* \*

SEC. 238. DEFINITIONS.—As used in this title—

\* \* \* \* \*

(c) the term "eligible investor" means: (1) United States citizens; (2) corporations, partnerships, or other associations including non-profit associations, created under the laws of the United States or any State or territory thereof and substantially beneficially owned by United States citizens; and (3) foreign corporations, partnerships, or other associations wholly owned by one or more such United States citizens, corporations, partnerships, or other associations: *Provided, however, That the eligibility of such foreign corporation shall be determined without regard to any shares, in aggregate less than 5 per centum of the total of issued and subscribed share capital, [required by law to be] held by other than the United States owners: Provided further, That in the case of any loan investment a final determination of eligibility may be made at the time the insurance or guaranty is issued; in all other cases, the investor must be eligible at the time a claim arises as well as the time the insurance or guaranty is issued; and*

\* \* \* \* \*

SEC. 239. GENERAL PROVISIONS AND POWERS.—

*(g) Except for the provisions of this title, no other provision of this or any other Act shall be construed to prohibit the operation in a particular country of the programs authorized by this title, if the President determines that the operation of such program in a particular country is important to the national interest.*

SEC. 240. AGRICULTURAL CREDIT AND SELF-HELP COMMUNITY DEVELOPMENT PROJECTS.—

*(h) The authority of this section shall continue until [June 30, 1972] June 30, 1973.*

TITLE X—PROGRAMS RELATING TO POPULATION GROWTH

SEC. 292. AUTHORIZATION.—Of the funds provided to carry out the provisions of *this part I* [of this Act for the fiscal year 1970, \$75,000-000, and for the fiscal year 1971 \$100,000,000] *for the fiscal year 1972, \$125,000,000* shall be available only to carry out the purposes of this title and, notwithstanding any other provision of this Act, funds used for such purposes may be used on a loan or grant basis.

Chapter 3.—INTERNATIONAL ORGANIZATION AND PROGRAMS

SEC. 302. AUTHORIZATION.—

*(b)(1) There is authorized to be appropriated to the President for loans for Indus Basin Development to carry out the purposes of this section, in addition to funds available under this or any other Act for such purposes for use beginning in the fiscal year 1969, \$51,220,000. Such amounts are authorized to remain available until expended.*

*(2) There is authorized to be appropriated to the President for grants for Indus Basin Development, in addition to any other funds available for such purposes, for use in the fiscal year 1970, \$7,530,000, and for use in the fiscal year 1971, \$7,530,000, which amounts shall remain available until expended. The President shall not exercise any special authority granted to him under section 610(a) or 614(a) of this Act to transfer any amount appropriated under this paragraph to, and to consolidate such amount with, any funds made available under any other provision of this Act.*

*(f) There are authorized to be appropriated to the President for each of the fiscal years 1972 and 1973, in addition to other amounts available for such purposes, \$1,000,000 in Egyptian pounds owned by the United States and determined by the President to be excess to the requirements of departments and agencies of the United States, for the purpose of providing*



*technical and vocational training and other assistance to Arab refugees. Amounts appropriated under this subsection are authorized to remain available until expended.*

\* \* \* \* \*

### PART III

#### Chapter 1.—GENERAL PROVISIONS

\* \* \* \* \*

SEC. 619. Assistance to Newly Independent Countries.—Assistance under part I of this Act (*other than title I of chapter 2 of such part*) to newly independent countries shall, to the maximum extent appropriate in the circumstance of each case, be furnished through multilateral organizations or in accordance with multilateral plans, on a fair and equitable basis with due regard to self-help.

SEC. 620. Prohibitions Against Furnishing Assistance.—

\* \* \* \* \*

(e)(1) The President shall suspend assistance to the government of any country to which assistance is provided under this or any other Act when the government of such country or any government agency or subdivision within such country on or after January 1, 1962—

(A) has nationalized or expropriated or seized ownership or control of property owned by any United States citizen or by any corporation, partnership, or association not less than 50 per centum beneficially owned by the United States citizen, or

(B) has taken steps to repudiate or nullify existing contracts or agreements with any United States citizen or any corporation, partnership, or association not less than 50 per centum beneficially owned by United States citizens, or

(C) has imposed or enforced discriminatory taxes or other exactions, or restrictive maintenance or operational conditions, or has taken other actions, which have the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property so owned,

[and such country, government agency, or government subdivision fails within a reasonable time (not more than six months after such action, or, in the event of a referral to the Foreign Claims Settlement Commission of the United States within such period as provided herein, not more than twenty days after the report of the Commission is received) to take appropriate steps, which may include arbitration, to discharge its obligations under international law toward such citizen or entity, including speedy compensation for such property in convertible foreign exchange, equivalent to the full value thereof, as required by international law, or fails to take steps designed to provide relief from such taxes, exactions, or conditions, as the case may be; and such suspension shall continue until the President is satisfied that appropriate steps are being taken, and no other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection.] *and such suspension shall continue until the President is satisfied that such country, government agency, or government subdivision has (i) discharged its obligations under international law toward such citizen or entity, including speedy compensation for such property in convertible foreign exchange, equivalent to the full value thereof, as required by international law, or (ii) has provided relief from such taxes,*

exactions, or conditions, as the case may be. No other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection.

\* \* \* \* \*

(v) None of the funds appropriated to carry out the provisions of this Act shall be made available to any foreign country which the President determines has failed to support actively the provisions of the 1949 Geneva Convention Relative to the Treatment of Prisoners of War.

(w)(1) All military, economic, or other assistance, all sales of defense articles and services (whether for cash or by credit, guaranty, or any other means), all sales of agricultural commodities (whether for cash, credit, or by other means), and all licenses with respect to the transportation of arms, ammunitions, and implements of war (including technical data relating thereto) to the Government of Pakistan under this or any other law shall be suspended on the date of enactment of this subsection.

(2) The provisions of this subsection shall cease to apply when the President reports to the Congress that the Government of Pakistan is cooperating fully in allowing the situation in East Pakistan to return to reasonable stability and that refugees from East Pakistan in India have been allowed, to the extent feasible, to return to their homes and to reclaim their lands and properties.

(3) Nothing in this subsection shall apply to the provision of food and other humanitarian assistance which is coordinated, distributed, or monitored under international auspices.

(x)(1) The President shall determine annually, before furnishing any military, economic, and other assistance to a foreign country under this or any other law, whether such country has undertaken appropriate measures to prevent drugs, partially or completely processed or produced in or transported through such country, from unlawfully entering the United States or from being unlawfully supplied to citizens of the United States.

(2) Except as otherwise provided under paragraph (3) of this subsection, if the President determines that a foreign country has not undertaken appropriate measures to prevent any such drugs from unlawfully entering the United States or being unlawfully supplied to United States citizens, he shall immediately cease to furnish all military, economic, and other assistance to such country authorized under this or any other law. The President is urged also to seek, through the United Nations or any other international organization, the imposition of international economic sanctions against such country.

(3) If the President finds that a foreign country referred to under paragraph (2) of this subsection has undertaken, after his determination, appropriate measures to prevent such drugs from unlawfully entering the United States or being unlawfully supplied to United States citizens or finds that the overriding national interest requires that military, economic, or other assistance be furnished to such country, the provisions of such paragraph shall not apply to that country unless the provisions of such paragraph would apply further to that country as a result of a further determination.

(4) The President shall utilize such agencies and facilities of the United States Government as he may deem appropriate to assist foreign countries in their efforts to prevent the unlawful entry of drugs into the United States or from being unlawfully supplied to United States citizens.

(5) No provisions of this or any other law shall be construed to authorize the President to waive the provisions of this subsection.

(6) *The President shall, within ninety days after the determinations made by him pursuant to paragraph (1) of this subsection, report to the Congress such determinations, together with a full explanation of the reasons therefor. The President shall also report to the Congress any action taken pursuant to paragraph (3) of this subsection.*

(7) *For purposes of this subsection—*

(A) *“drug” means any matter which is included within the definition of controlled substance under title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970; and*

(B) *“military, economic, and other assistance” means any tangible or intangible item provided by the United States Government (by means of gift, loan, sale, credit sale, guaranty, or any other means) under this or any other law to a foreign country, including, but not limited to, any training, service, or technical advice, any item of real, personal, or mixed property, any agricultural commodity, United States dollars, and any currencies owned by the United States Government of any foreign country.*

## Chapter 2.—ADMINISTRATIVE PROVISIONS

\* \* \* \* \*

SEC. 634. **REPORTS AND INFORMATION.**—[(a) The President shall, while funds made available for the purposes of the Act remain available for obligation, transmit to the Congress after the close of each fiscal year a report concerning operations (other than those reported pursuant to section 240A) in that fiscal year under this Act. Each such report shall include information on progress under the freedom of navigation and nondiscrimination declaration contained in section 102.]

\* \* \* \* \*

SEC. 644. **DEFINITIONS.**—As used in this Act—

\* \* \* \* \*

“(m) ‘Value’ means, *other than in section 653 of this Act—*

## Chapter 3.—MISCELLANEOUS PROVISIONS

\* \* \* \* \*

SEC. 653. **ANNUAL FOREIGN ASSISTANCE REPORT.**—(a) *In order that the Congress and the American people may be better and more currently informed regarding the volume and cost of assistance extended by the United States Government to foreign countries and international organizations, and in order that the Congress and the American people may be better informed regarding the sale of arms to foreign countries and international organizations by private industry of the United States, not later than December 31 of each year the President shall transmit to the Congress an annual report, for the fiscal year ending prior to the fiscal year in which the report is transmitted, showing—*

(1) *the aggregate dollar value of all foreign assistance provided by the United States Government by any means to all foreign countries and international organizations, and the aggregate dollar value of such assistance by category provided by the United States Government to each such country and organization, during that fiscal year;*

(2) *the total amounts of foreign currency paid by each foreign*

country or international organization to the United States Government in such fiscal year, what each payment was made for, whether any portion of such payment was returned by the United States Government to the country or organization from which the payment was obtained or whether any such portion was transferred by the United States Government to another foreign country or international organization, and, if so returned or transferred, the kind of assistance obtained by that country or organization with those foreign currencies and the dollar value of such kind of assistance;

(3) the aggregate dollar value of all arms, ammunitions, and other implements of war, and the aggregate dollar value of each category of such arms, ammunitions, and implements of war, exported under any export license, to all foreign countries and international organizations, and to each such country and organization, during that fiscal year; and

(4) such other matters relating to foreign assistance provided by the United States Government as the President considers appropriate, including explanations of the information required under clauses (1)-(3) of this subsection.

(b) All information contained in any report transmitted under this section shall be public information. However, in the case of any item of information to be included in any such report that the President, on an extraordinary basis, determines is clearly detrimental to the security of the United States, he shall explain in a supplemental report why publication of each specific item would be detrimental to the security of the United States. A supplement to any report shall be transmitted to the Congress at the same time that the report is transmitted.

(c) If the Congress is not in session at the time a report or supplement is transmitted to the Congress, the Secretary of the Senate and the Clerk of the House of Representatives shall accept the report or supplement on behalf of their respective Houses of Congress and present the report or supplement to the two Houses immediately upon their convening.

(d) For purposes of this section—

(1) "foreign assistance" means any tangible or intangible item provided by the United States Government under this or any other law to a foreign country or international organization, including, but not limited to any training, service, or technical advice, any item of real, personal, or mixed property, any agricultural commodity, United States dollars, and any currencies owned by the United States Government of any foreign country,

(2) "provided by the United States Government" includes, but is not limited to, foreign assistance provided by means of gift, loan, sale, credit sale, or guaranty; and

(3) "value" means value at the time of transfer except that in no case shall any commodity or article of equipment or material be considered to have a value less than one-third of the amount the United States Government paid at the time the commodity or article was acquired by the United States Government.

SEC. 654. LIMITATION ON USE OF FUNDS.—(a) Except as otherwise provided in this section, none of the funds appropriated to carry out the provisions of this Act or the Foreign Military Sales Act shall be obligated or expended until the Comptroller General of the United States certifies to the Congress that all funds previously appropriated and thereafter impounded during the fiscal year 1971 for highway construction, low-rent

*public housing. Model Cities, water and sewer grants, urban renewal, regional economic development, farm credit, and mass transportation have been released for obligation and expenditure.*

(b) *The provisions of this section shall not apply—*

*(1) to funds being withheld in accordance with specific requirements of law; and*

*(2) to appropriations obligated or expended prior to January 1, 1972.*

## II. AN ACT TO AUTHORIZE PARTICIPATION BY THE UNITED STATES IN THE INTERPARLIAMENTARY UNION (22 U.S.C. 276)

That an appropriation of ~~["\$53,550"]~~ \$102,000 annually is authorized, ~~["\$26,650"]~~ \$57,000 of which shall be for the annual contributions of the United States toward the maintenance of the Bureau of the Interparliamentary Union for the promotion of international arbitration; and ~~["\$26,900"]~~ \$45,000, or so much thereof as may be necessary, to assist in meeting the expenses of the American group of the Interparliamentary Union for each fiscal year for which an appropriation is made, such appropriation to be disbursed on vouchers to be approved by the president and the executive secretary of the American group.

\* \* \* \* \*

## III. PART IV, FOREIGN ASSISTANCE ACT OF 1969 (22 U.S.C. 290f)

### PART IV—~~["INTER-AMERICAN SOCIAL DEVELOPMENT INSTITUTE"]~~

#### *THE INTER-AMERICAN FOUNDATION ACT*

SEC. 401. ~~["INTER-AMERICAN SOCIAL DEVELOPMENT INSTITUTE.—(a) There is created as an agency of the United States of America a body corporate to be known as the "Inter-American Social Development Institute" (hereafter in this section referred to as the "Institute")."]~~  
*INTER-AMERICAN FOUNDATION.—(a) There is created as an agency of the United States of America a body corporate to be known as the Inter-American Foundation (hereafter in this section referred to as the "Foundation").*

(b) The future of freedom, security, and economic development in the Western Hemisphere rests on the realization that man is the foundation of all human progress. It is the purpose of this section to provide support for developmental activities designed to achieve conditions in the Western Hemisphere under which the dignity and the worth of each human person will be respected and under which all men will be afforded the opportunity to develop their potential, to seek through gainful and productive work the fulfillment of their aspirations for a better life, and to live in justice and peace. To this end, it shall be the purpose of the ~~["Institute"]~~ *Foundation* primarily in cooperation with private, regional, and international organizations, to—

(1) strengthen the bonds of friendship and understanding among the peoples of this hemisphere;

(2) support self-help efforts designed to enlarge the opportunities for individual development;

(3) stimulate and assist effective and ever wider participation of the people in the development process;

(4) encourage the establishment and growth of democratic institutions, private and governmental, appropriate to the requirements of the individual sovereign nations of this hemisphere.

In pursuing these purposes, the [Institute] *Foundation* shall place primary emphasis on the enlargement of educational opportunities at all levels, the production of food and the development of agriculture, and the improvement of environmental conditions relating to health, maternal and child care, family planning, housing, free trade union development, and other social and economic needs of the people.

(c) The [Institute] *Foundation* shall carry out the purposes set forth in subsection (b) of this section primarily through and with private organizations, individuals, and international organizations by undertaking or sponsoring appropriate research and by planning, initiating, assisting, financing, administering, and executing programs and projects designed to promote the achievement of such purposes.

(d) In carrying out its functions under this section, the [Institute] *Foundation* shall, to the maximum extent possible, coordinate its undertakings with the developmental activities in the Western Hemisphere of the various organs of the Organization of American States, the United States Government, international organizations, and other entities engaged in promoting social and economic development of Latin America.

(e) The [Institute] *Foundation* as a corporation—

(1) shall have perpetual succession unless sooner dissolved by an Act of Congress;

(2) may adopt, alter, and use a corporate seal, which shall be judicially noticed;

(3) may make and perform contracts and other agreements with any individual, corporation, or other body of persons however designated whether within or without the United States of America, and with any government or governmental agency, domestic or foreign;

(4) shall determine and prescribe the manner in which its obligations shall be incurred and its expenses, *including expenses for representation (not to exceed \$10,000 in any fiscal year)*, allowed and paid;

(5) may, as necessary for the transaction of the business of the [Institute] *Foundation*, employ and fix the compensation of not to exceed one hundred persons at any one time;

(6) may acquire by purchase, devise, bequest, or gift, or otherwise lease, hold, and improve, such real and personal property as it finds to be necessary to its purposes, whether within or without the United States, and in any manner dispose of all such real and personal property held by it and use as general funds all receipts arising from the disposition of such property;

(7) shall be entitled to the use of the United States mails on the same conditions as the executive departments of the Government;

(8) may, with the consent of any board, corporation, commission, independent establishment, or executive department of the

Government, including any field service thereof, avail itself of the use of information, services, facilities, officers, and employees thereof in carrying out the provisions of this section;

(9) may accept money, funds, property, and services of every kind by gift, devise, bequest, grant, or otherwise, and make advances, grants, and loans to any individual, corporation, or other body of persons, whether within or without the United States of America, or to any government or governmental agency, domestic or foreign, when deemed advisable by the **[Institute]** *Foundation* in furtherance of its purposes;

(10) may sue and be sued, complain, and defend, in its corporate name in any court of competent jurisdiction; and

(11) shall have such other powers as may be necessary and incident to carrying out its powers and duties under this section.

(f) Upon termination of the corporate life of the **[Institute]** *Foundation* all of its assets shall be liquidated and, unless otherwise provided by Congress, shall be transferred to the United States Treasury as the property of the United States.

(g) The management of the **[Institute]** *Foundation* shall be vested in a board of directors (hereafter in this section referred to as the "Board") composed of seven members appointed by the President, by and with the advice and consent of the Senate, one of whom he shall designate to serve as Chairman of the Board and one of whom he shall designate to serve as Vice Chairman of the Board. Four members of the Board shall be appointed from private life. Three members of the Board shall be appointed from among officers or employees of agencies of the United States concerned with inter-American affairs. Members of the Board shall be appointed for terms of six years, except that of the members first appointed two shall be appointed for terms of two years and two shall be appointed for terms of four years, as designated by the President at the time of their appointment. A member of the Board appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term; but upon the expiration of his term of office a member shall continue to serve until his successor is appointed and shall have qualified. Members of the Board shall be eligible for reappointment.

(h) Members of the Board shall serve without additional compensation, but shall be reimbursed for actual and necessary expenses not in excess of \$50 per day, and for transportation expenses, while engaged in their duties on behalf of the corporation.

(i) The Board shall direct the exercise of all the powers of the **[Institute]** *Foundation*.

(j) The Board may prescribe, amend, and repeal bylaws, rules, and regulations governing the manner in which the business of the **[Institute]** *Foundation* may be conducted and in which the powers granted to it by law may be exercised and enjoyed. A majority of the Board shall be required as a quorum.

(k) In furtherance and not in limitation of the powers conferred upon it, the Board may appoint such committees for the carrying out of the work of the **[Institute]** *Foundation* as the Board finds to be for the best interests of the **[Institute]** *Foundation*, each committee to consist of two or more members of the Board, which committees, together with officers and agents duly authorized by the Board and to

the extent provided by the Board, shall have and may exercise the powers of the Board in the management of the business and affairs of the [Institute] Foundation.

[(1) The chief executive officer of the Institute shall be an Executive Director who shall be appointed by the Board of Directors on such terms as the Board may determine. The Executive Director shall receive compensation at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.]

(l) (1) *The chief executive officer of the Foundation shall be a President who shall be appointed by the Board of Directors on such terms as the Board may determine. The President shall receive compensation at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.*

(2) *Experts and consultants, or organizations thereof, may be employed as authorized by section 3109 of title 5, United States Code.*

(m) In order to further the purposes of the [Institute] Foundation there shall be established a Council to be composed of such number of individuals as may be selected by the Board from among individuals knowledgeable concerning developmental activities in the Western Hemisphere. The Board shall, from time to time, consult with the Council concerning the objectives of the [Institute] Foundation. Members of the Council shall receive no compensation for their services but shall be entitled to reimbursement in accordance with section 5703 of title 5, United States Code, for travel and other expenses incurred by them in the performance of their functions under this subsection.

(n) The [Institute] Foundation shall be a nonprofit corporation and shall have no capital stock. No part of its revenue, earnings, or other income or property shall inure to the benefit of its directors, officers, and employees and such revenue, earnings, or other income, or property shall be used for the carrying out of the corporate purposes set forth in this section. No director, officer, or employee of the corporation shall in any manner directly or indirectly participate in the deliberation upon or the determination of any question affecting his personal interests or the interests of any corporation, partnership, or organization in which he is directly or indirectly interested.

(o) When approved by the [Institute] Foundation, in furtherance of its purpose, the officers and employees of the [Institute] Foundation may accept and hold offices or positions to which no compensation is attached with governments or governmental agencies of foreign countries.

(p) The Secretary of State shall have authority to detail employees of any agency under his jurisdiction to the [Institute] Foundation under such circumstances and upon such conditions as he may determine. Any such employee so detailed shall not lose any privileges, rights, or seniority as an employee of any such agency by virtue of such detail.

(q) The [Institute] Foundation shall establish a principal office. The [Institute] Foundation is authorized to establish agencies, branch offices, or other offices in any place or places within the United States or elsewhere in any of which locations the [Institute] Foundation may carry on all or any of its operations and business.



(r) The **[Institute]** *Foundation*, including its franchise and income, shall be exempt from taxation now or hereafter imposed by the United States, or any territory or possession thereof, or by any State, county, municipality, or local taxing authority.

(s) Notwithstanding any other provision of law, not to exceed an aggregate amount of \$50,000,000 of the funds made available for the fiscal years 1970 and 1971 to carry out part I of the Foreign Assistance Act of 1961 shall be available to carry out the purposes of this section. Funds made available to carry out the purposes of this section under the preceding sentence are authorized to remain available until expended.

(t) The **[Institute]** *Foundation* shall be subject to the provisions of the Government Corporation Control Act.

#### IV. AN ACT TO PROVIDE CERTAIN BASIC AUTHORITY FOR THE DEPARTMENT OF STATE (22 U.S.C. 2680)

\* \* \* \* \*  
SEC. 13. \* \* \* **[There is hereby authorized to be appropriated such amounts as may be necessary to provide capital for the fund.]**

**[SEC. 15. Appropriations to carry out the purposes of this Act are hereby authorized. When so provided in an appropriation law, an appropriation made to the Department of State may remain available until expended.]**

SEC. 15. (a) *Notwithstanding any other provision of law, no appropriation shall be made to the Department of State under any law for any fiscal year commencing on or after July 1, 1972, unless previously authorized by legislation hereafter enacted by the Congress.*

(b) *The Department of State shall keep the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives fully and currently informed with respect to all activities and responsibilities within the jurisdiction of the committee of all departments, agencies, and independent establishments of the United States Government conducted outside the United States or its territories or possessions. Any such department, agency, or independent establishment shall furnish any information requested within the jurisdiction of the committee by either such committee relating to any such activity or responsibility.*

#### V. SECTION 701, UNITED STATES INFORMATION AND EDUCATIONAL EXCHANGE ACT OF 1948 (22 U.S.C. 1476)

##### GENERAL AUTHORIZATION

**[SEC. 701. Appropriations to carry out the purposes of this Act are hereby authorized.]**

##### PRIOR AUTHORIZATIONS BY CONGRESS

SEC. 701. *Notwithstanding any other provision of law, no appropriation shall be made to the Secretary of State, or to any Government agency authorized to administer the provisions of this Act, under any law for any fiscal year commencing on or after July 1, 1972, unless previously authorized by legislation hereafter enacted by the Congress.*

## VI. SECTION 502(b), MUTUAL SECURITY ACT OF 1954

(b) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, local currencies owned by the United States, which are in excess of the amounts reserved under section 612(a) of the Foreign Assistance Act of 1961, [(as amended), and of the requirements of the United States Government in payment of its obligations outside the United States, as such requirements may be determined from time to time by the President, and any other local currencies owned by the United States in amounts not to exceed the equivalent of \$50 per day per person exclusive of the actual cost of transportation] *and which are determined by the Secretary of the Treasury to be excess to the normal requirements of the United States*, shall be made available to appropriate committees of the Congress engaged in carrying out their duties under section 136 of the Legislative Reorganization Act of 1946, (as amended), and to the Joint Committee on Atomic Energy and the Joint Economic Committee and the Select Committees on Small Business of the Senate and House of Representatives for their local currency expenses [ : *Provided*, That each member or employee of any such committee shall make, to the chairman of such committee in accordance with regulations prescribed by such committee, an itemized report showing the amounts and dollar equivalent values of each such foreign currency expended and the amounts of dollar expenditures made from appropriated funds in connection with travel outside the United States, together with the purposes of the expenditure, including lodging, meals, transportation, and other purposes. Within the first sixty days that Congress is in session in each calendar year, the chairman of each such committee shall prepare a consolidated report showing the total itemized expenditures during the preceding calendar year of the committee and each subcommittee thereof, and of each member and employee of such committee or subcommittee, and shall forward such consolidated report to the Committee on House Administration of the House of Representatives (if the committee be a committee of the House of Representatives or a joint committee whose funds are disbursed by the Clerk of the House) or to the Committee on Appropriations of the Senate (if the committee be a Senate Committee or a joint committee whose funds are disbursed by the Secretary of the Senate). Each such report submitted by each committee shall be published in the Congressional Record within ten legislative days after receipt by the Committee on House Administration of the House or the Committee on Appropriations of the Senate. ]. *Any such excess local currencies shall not be made available (1) to defray subsistence expenses or fees of witnesses appearing before any such committee in the United States, or (2) in amounts greater than the equivalent of \$100 a day for each person, exclusive of the actual cost of transportation.*

## VII. SECTION 8, UNITED NATIONS PARTICIPATION ACT OF 1945 (22 U.S.C. 287e)

SEC. 8. (a) There is hereby authorized to be appropriated annually to the Department of State, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary [for the payment by the United States of its share of the expenses of the United Nations as apportioned by the General Assembly in accordance with

article 17 of the Charter, and] for all necessary salaries and expenses of the representatives provided for in section 2 hereof, and of their appropriate staffs, including personal services in the District of Columbia and elsewhere, without regard to the civil-service laws and the Classification Act of 1923, as amended; travel expenses without regard to the Standardized Government Travel Regulations, as amended, the Travel Expense Act of 1949, and section 10 of the Act of March 3, 1933, as amended, and, under such rules and regulations as the Secretary of State may prescribe, travel expenses of families and transportation of effects of United States representatives and other personnel in going to and returning from their post of duty; allowances for living quarters, including heat, fuel, and light, as authorized by the Act approved June 26, 1930 (5 U.S.C. 118a); cost-of-living allowances for personnel stationed abroad under such rules and regulations as the Secretary of State may prescribe; communications services; stenographic reporting, translating, and other services, by contract; hire of passenger motor vehicles and other local transportation; rent of offices; printing and binding without regard to section 11 of the Act of March 1, 1919 (44 U.S.C. 111); allowances and expenses as provided in section 6 of the Act of July 30, 1946 (Public Law 565, Seventy-ninth Congress), and allowances and expenses equivalent to those provided in section 901(3) of the Foreign Service Act of 1946 (Public Law 724, Seventy-ninth Congress); the lease or rental (for periods not exceeding ten years) of living quarters for the use of the representative of the United States to the United Nations referred to in paragraph (a) of section 2 hereof, the cost of installation and use of telephones in the same manner as telephone service is provided for use of the Foreign Service pursuant to the Act of August 23, 1912, as amended (31 U.S.C. 679), and unusual expenses similar to those authorized by section 22 of the Administrative Expenses Act of 1946, as amended by section 311 of the Overseas Differentials and Allowances Act, incident to the operation and maintenance of such living quarters; and such other expenses as may be authorized by the Secretary of State; all without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5).

(b) *Notwithstanding any other provision of law, no appropriation shall be made for the payment by the United States of its share of the expenses of the United Nations, as apportioned by the General Assembly in accordance with article 17 of the Charter, or for the payment of any amount to any organization, program, fund, or activity of the United Nations, unless such payment has been previously authorized by legislation hereafter enacted by the Congress. Any such authorization shall not be given for a period exceeding one fiscal year.*

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